FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

Latin America

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Latin America

FBIS-LAT-94-203 20 October 1994

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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication have been changed. All new indicators begin with "FBIS" to make the material more easily identifiable. Some also indicate whether the item has been translated from the vernacular or transcribed from English.

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Central American Labor Ministers Hold Meeting

Reject U.S. Use of Social Clause

PA1810180094 Panama City ACAN in Spanish 1143 GMT 18 Oct 94

[FBIS Translated Text] San Jose, 18 Oct (ACAN-EFE)—The labor ministers of Belize and the Dominican Republic agreed today in stating that the United States attempts, through the so-called social clause, to "twist the arms" of developing nations.

The region's labor ministers assembled today in Costa Rica at a three-day meeting that began on Monday to study labor problems, while taking into account new economic conditions.

According to Nicaraguan Minister Francisco Rosales, this is an imminently political mechanism designed to be placed in the hands of the World Trade Organization, so that it can regulate human and union rights and impose sanctions behind the backs of competent institutions.

He said: "Labor rights then become instruments of U.S. and the developed nations' trade policies in an attempt to eliminate the International Labor Organization (OIT) from the scene and twist the arms of any nation that might ever adversely affect their interests."

Rosales pointed out that "this represents meddling in the destinies of our peoples, because any powerful nation would be in a position to impose restrictive unilateral measures, as a means of protecting its own work force."

"What the powerful lost with the removal of tariffs through GATT they now want to recover politically," he stated.

Costa Rican Labor Minister Farid Ayales indicated that the clause is nothing more than a coercive mechanism fostered by the United States and the powerful nations, the application of which could be in the hands of each nation's internal trade institutions, not those of a superstructure like the OIT.

The rest of the ministers supported the position of their colleagues. Together, they took steps to issue a joint statement rejecting the social clause as an instrument of international trade.

Marco Vinicio Ruiz, president of the Costa Rican Union of Chambers, indicated that not all nations are equal in trade, as some are stronger than others. "If we link workers rights to trade the only thing we would be doing is falling into the hands of the powerful nations."

He said that any kind of trade restrictions of this nature would always be to the detriment of small nations, never in their favor; there are examples of this everywhere.

"While the Central American nations have been systematically accused by the AFL-CIO of violating workers' rights, in China prisoners are used to manufacture products for export. That union does not even bat an eyelash," he commented.

Of course, he added, dealing with China is not the same as threatening small, poor nations in this region.

"Here is another more dramatic example. In the United States there is now a big dilemma over whether social security [as received] should be provided for all the workers in that nation," he noted.

In Costa Rica there has been mandatory insurance for the entire population for 50 years; therefore, one could reason that the nations on the isthmus should unite to impose sanctions on the United States because it does not provide that benefit.

But this is impossible because the weight of Central American trade is insignificant," the business leader remarked. [no opening quotation mark as received]

Prepare Final Declaration

PA1910231194 Panama City ACAN in Spanish 0041 GMT 19 Oct 94

[FBIS Translated Text] San Jose, 18 Oct (ACAN-EFE)—The labor ministers of Central America, Belize, and the Dominican Republic, gathered in Costa Rica, support the social clause in their respective countries, but outside of international trade treaties, which is contrary to what the United States wants.

This support will be stated in the final declaration of the meeting which they have been holding since yesterday in Costa Rica. The meeting is scheduled to end tomorrow.

The draft declaration to be signed tomorrow by the officials, to which ACAN-EFE had access, categorically rejects the U.S. proposal that the social clause be part of international trade treaties effective January 1995.

"The ministers recognize that labor rights claimed in the social clause should entail mandatory observance by each of their nations, but its verification should be handled by the International Labor Organization (ILO)-," according to a source close to the discussions.

The labor ministers thus countered the U.S. initiative that issues like child labor, minimum salaries, sexual discrimination, forced labor, and occupational health would be supervised by industrialized countries in the future, to the detriment of small countries.

According to the U.S. proposal, large importer countries may sanction small countries when they determine that the latter fail to comply with any of the labor provisions established within the production processes.

These sanctions will be aimed basically at banning exports, a fact that the ministers consider a violation of developing nations' sovereignty and the principle of nonintervention.

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"U.S. labor unions, particularly the powerful AFL-CIO, sponsor the initiative because they know it will function as a protectionist measure for national labor," one of the people drafting the document told ACAN-EFE. "It is evident that with the opening of markets unemployment will increase in the United States and the social clause would be the perfect excuse to remove competitors from the market," the source added.

A pathetic example, he said, is the shoe industry, in which Mexico has great competitive advantages compared to the United States. "What will happen when the Aztecs begin to export shoes for $35 that cost $150 in the United States?" the source asked. The Commerce Department would simply report a failure to meet any of the labor rights and would remove the Mexicans from the market, the source answered.

The ministers believe this is an effort to put an eminently political mechanism in the ILO's hands to regulate human and labor rights, and to impose sanctions behind the competent authorities' backs.

Costa Rican Labor Minister Farid Ayales emphasized the clause is nothing more than a coercive mechanism whose implementation would be based on the views of each developed country's internal trade groups, rather than a superstructure like the ILO.

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Cuba

Alarcon Objects to Unilateral Decisions on Migration

PA2010034194 Havana PRENSA LATINA in Spanish 0226 GMT 20 Oct 94

[FBIS Translated Text] Havana, 19 Oct (PL)—Ricardo Alarcon, head of the Cuban delegation to the migration talks with the United States, today objected here to recent unilateral measures by that country regarding Cuban rafters confined on Guantanamo Naval Base.

In statements to AGENCIA DE INFORMACION NACIONAL (AIN), Alarcon emphasized the constructive spirit which must characterize the migration talks between the two countries.

Referring to this, he said unilateral decisions should not be made—like the ones recently adopted by Washington in connection with illegal immigrants on that U.S. military enclave, which is illegally stationed in eastern Cuba.

He said the situation of those persons and other Cubans confined to U.S. military facilities in Panama will be examined during the second round of bilateral talks on migration issues, which will begin here on 24 October.

He announced that Havana will also express its concern about recent actions that are outside the U.S. Government's control, such as the infiltration of seven individuals from Miami into the Caibarien area in central Cuba.

He also mentioned the illegal entrance of 14 persons [item ends abruptly as received].

Deplores Delay in U.S. Visas

PA2010025494 Mexico City NOTIMEX in Spanish 0002 GMT 20 Oct 94

[FBIS Translated Excerpt] Havana, 19 Oct (NOTIMEX)—Cuba today deplored the delay by the United States in issuing visas to Cubans who want to emigrate to that country as stated in the agreement signed by the governments of the two countries on 9 September in New York City.

Ricardo Alarcon, chief of the Cuban delegation participating in the negotiations with the North American nation, said that the United States "is still immersed in organizational issues such as the hiring of staffers who will handle this process."

According to the agreement, Washington must issue at least 20,000 visas annually to Cubans who qualify to emigrate to this country, while the Havana Government pledged to prevent illegal departures from the island by means within its capability.

Alarcon told the state-owned AGENCIA DE INFORMACION NACIONAL (AIN) that "Cuba will attend" the second round of negotiations, which will begin on 24 October in this capital, "fully honoring the commitments it made."

The U.S. Interests Section in Havana last week reported that it will implement a special plan to expedite the issuance of visas in Cuba until meeting the agreed upon minimum of 20,000 visas annually.

Joseph Sullivan, head of the U.S. Interest Sections, on 18 October explained the details of the plan during an unprecedented appearance on Cuban television, saying that his office will personally notify the beneficiaries to guarantee that they will complete their procedures.

Alarcon, who is a seasoned Cuban diplomat, is president of the National Assembly of the People's Government (legislature) and will continue to head the Cuban delegation attending the negotiations with the United States. Dennis Hays, director of the Office of Cuban Affairs, will head the U.S. delegation. [passage omitted]

U.S. Interests Section Chief Interviewed

FL1910221394

[FBIS Editorial Report] Havana Tele Rebelde Network in Spanish at 0301 GMT on 19 October carries a 14-minute recording of an interview with Joseph Sullivan, chief of the U.S. Interests Section in Havana, by reporter Irma Caceres in Havana on 13 October.

Sullivan discusses migration issues during the interview, citing figures on Cuban refugees waiting for visas to go to the United States. He announces that a lottery system for legally emigrating to the United States will be introduced in November. Asked about refugees living in camps and those who do not want to return to Cuba, Sullivan assures that anyone who is in the camps can stay indefinitely, that no one will be forced to return to Cuba, and that the U.S. Government is hoping to get third countries to accept the refugees. He also discusses the steps to take to apply to come to the United States and advises that the United States wants to discourage rafters from taking to the seas. Sullivan reconfirms that the United States is open to discussing the migration matter and suggests that talks could lead to closer U.S.-Cuban relations in the future.

Sullivan concludes by acknowledging the difficulties of Cuban life and expressing the hope that the U.S.-Cuban migration agreement will help the Cuban people.

Russian Duma Censures U.S. Blockade on Cuba

PA1910214094 Havana PRENSA LATINA in Spanish 1217 GMT 18 Oct 94

[FBIS Translated Text] Moscow, 18 Oct (PL)—The Russian Foreign Ministry today welcomed the State Duma's (lower legislative chamber) approval on Friday [14 October] of a declaration censuring the U.S. blockade against Cuba.

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In statements to PRENSA LATINA, Andrey Dimitriyev, chief of the Foreign Ministry's Central and South America Department, said the parliament's position coincides with Moscow's position on this critical aspect of Cuban-U.S. ties.

Russia, he indicated, has always opposed violence and the use of force in international relations, particularly, he emphasized, Washington's economic-commercial blockade of Havana.

Asked about Moscow's abstention at last year's UN General Assembly when voting against the unfair measure, Dimitriev reasserted the arguments then given to PRENSA LATINA regarding the need to seek a solution to the dispute within a bilateral framework.

The diplomat avoided revealing his country's probable position at the next UN debate concerning the blockade of the Caribbean island, but he reasserted approval for the congruent Foreign Ministry-State Duma policy.

The Russian Parliament's lower chamber approved the censure of the financial-commercial blockade against the island by 238 votes in favor, five against, and two abstentions. The document was presented by the International Affairs Committee (Vladimir Lukin) and the Economic Committee (Sergey Glazyev).

The declaration urges the world's states and parliaments to adopt measures with the intention of lifting laws or legal actions that obstruct the normal development of trade and cooperation with Cuba.

The Duma chairman, Ivan Rybkin, will send the text to President Bill Clinton and the U.S. Congress, as well as UN Secretary General Butrus Butrus-Ghali.

The declaration emphasizes that Washington's blockade against Havana contradicts the principles of sovereignty, right to self-determination, international navigation, and free trade, and it has caused the Cuban economy losses in excess of $40 billion.

The text also recommends that the Russian Government bear in mind the traditional, balanced, advantageous ties with Cuba, and to encourage the state and private sectors' economic cooperation with the Caribbean island.

Cuban Envoy Briefed

PA1910230994 Havana PRENSA LATINA in Spanish 1507 GMT 19 Oct 94

[FBIS Translated Excerpt] Moscow, 18 Oct (PL)—Ivan Rybkin, chairman of the Russian State Duma, said today that the legislative chamber's censure of the U.S. blockade against Cuba reflects the people's views on that issue.

In a meeting with Cuban Ambassador Rogelio Montenegro, Rybkin said the results of the vote on the document speak for themselves concerning the Russian people's position on the need to end Washington's unfair measures toward Havana.

The legislative declaration, supported by 238 deputies, against only five negative votes and two abstentions, urges the U.S. Congress to lift restrictions on the small Caribbean nation, including the so-called Torricelli law.

Moreover, Montenegro thanked the deputies of the lower chamber for approving the document rejecting the discriminatory measure, imposed by Washington more than three decades ago.

Likewise, Montenegro invited the State Duma's parliamentary group to attend the international meeting of solidarity with Cuba, scheduled for late November in that Antillean country. [passage omitted]

Ministry Official on Drop in UN Development Aid

PA1910231094 Havana Radio Havana Cuba in Spanish 0100 GMT 18 Oct 94

[Report by Barbara Betancur; from the "Evening Information Review" newscast]

[FBIS Translated Text] [Betancur] If we examine current UN performance, we will find a significant drop in development aid and international cooperation programs.

[Begin recording] [Foreign Ministry official Juana Silvera] Yes, unfortunately, we are. This very moment, as we speak, we are facing this new trend promoted by the United States and, in general, by its allies in Europe. The policy seeks to condition development aid to the existence—or I should say observance—of specific behavior. By behavior I mean the performance of these countries on, for example, human rights.

[Betancur] Human rights, of course, but some specific rights more than others.

[Silvera] Why, of course. The intention is to transport and apply behavior patterns, which are rather suspect, from those countries to Third World countries. There is one interesting thing about all this: The policy affects Third World countries. These are countries subject to conditions such as having to adhere to international agreements on human rights, or to have authentic and genuine democracy.

I ask: What is authentic and genuine democracy? To those who promote this trend, authentic and genuine democracy is ending demonstrations and strikes with tear gas; it is police brutality and abuse of power. This means that what democracy is to them is not democracy to us. Consequently, their democracy is also quite questionable and very much in doubt at this time. They speak of democracy, but when one examines the liberties they have in those countries, we find that they are practically nonexistent.

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No common citizen has access to THE NEW YORK TIMES or THE WASHINGTON POST so that he may publish an article against the current U.S. Government or against any consortium. We do not have to speak just of government personalities when we can speak of commercial consortiums and multinational corporations. No common U.S. citizen has the privilege of using the press to publish what he or she thinks, in terms of criticisms or challenges.

There is censorship there. You cannot tell me that the U.S. press is not censored. The U.S. press is conditioned by the economic and political interests of those in power. [end recording]

[Betancur] Focusing its attention on the UN's 50th anniversary, Cuba seeks to restate the organization's priorities and place economic issues in their rightful place. The large Western powers want to mold the world in their image. This is why certain issues have gained prominence, such as human rights, particularly political issues or such issues as the fight against drug trafficking; environmental issues, and so on, without taking into account the fact that the large majority of member nations of this leading global forum need the resources to develop economically and socially. This is why Cuba strongly defends the principles that govern development assistance and international cooperation, without political or any other form of conditioning.

Foreign Minister Views Havana International Fair

FL2010023094 Havana Radio Rebelde Network in Spanish 1800 GMT 19 Oct 94

[Interview with Foreign Trade Minister Ricardo Cabrisas by Guillermo Vernal; from the "National Radio News"; date and place not given—recorded]

[FBIS Translated Text] [Vernal] The 12th Havana International Fair will open at Expocuba at 1800 on 30 October. Several Latin American nations will participate.

The Havana International Fair's organizing committee has just concluded a meeting here in Expocuba. After learning that approximately 20 Latin American countries will participate, I tried to find out from Foreign Trade Minister Ricardo Cabrisas if this response is consistent with Cuba's trade policy toward Latin America.

[Begin recording] [Cabrisas] Yes, I think so. Actually, activity within Latin America and the Caribbean has increased lately, resulting in interaction between certain Latin American nations and Cuba. Actually, the potential for business options between us has recently improved significantly. In fact, this has been shown in all the agreements that Cuba has promoted lately as part of our trade policy.

[Vernal] Which Latin American nations have the best trade relations with Cuba?

[Cabrisas] Well, I cannot answer that question precisely—I would say that Cuba has trade relations with practically all the Latin American nations, and some of the Caribbean nations. This is determined by potential. We have good trade relations with Mexico, Brazil, Venezuela, Colombia, Ecuador, Peru, and Argentina. [end recording]

Provincial People's Council To Congratulate Castro

FL2010023194 Havana Radio Rebelde Network in Spanish 0000 GMT 20 Oct 94

[From the "Exclusive" program]

[FBIS Translated Text] The presidents of the provincial People's Councils agreed today to send Fidel a letter of congratulations this October in observance of the fourth anniversary of the People's Councils, founded by Commander in Chief Fidel Castro.

Politburo member Ricardo Alarcon participated in a provincial workshop that focused on strengthening the authority of the councils and the delegates, their work, and their control and monitoring role in the neighborhoods. The workshop's report adds that in spite of the People's Councils' contribution to the social and economic development of the communities, in some places the desired authority has not been attained and steps must be taken to involve voters and to encourage their involvement in every problem or issue.

Emergency Declared in Guantanamo Coffee Harvest

FL2010025794 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 19 Oct 94

[From the "NTV" newscast]

[FBIS Translated Text] In Guantanamo Province, a state of emergency has been declared in the coffee harvest, as coffee is at its peak maturity. The coffee harvest workers expect to collect 1.5 million cans of coffee in one month.

In two months, over 330,000 cans of coffee were collected. This is an indicator of the effort to be made. There is an additional work force of 4,500 students, who will aid in the harvest process. Soon the Cuban Workers Federation will have 400 workers incorporated in the harvest.

[Begin unidentified speaker recording] We have begun an analysis of each territory, to evaluate and incorporate all the population of the Sierra to the task. This could solve the great demand for a work force. [end recording]

Currently, world market price for coffee is high. Guantanamo Province should provide 2.5 million cans of coffee during this harvest. To date, ripening has not been good, but neither has the incorporation or productivity of the work force. The hardest situation is faced by the harvesters of Mais: [Municipality]. Nevertheless, the local president of the National Association of Small

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Farmers has confirmed that the 660,000 cans of coffee that were pledged will be collected.

The state of emergency having been declared, we now turn to the plantations. The head of a harvest work force states that this is not only to collect more coffee.

[Begin unidentified speaker recording] In the first place, we have met with all the comrades and have explained that we need them to collect quality coffee because this is the most valued on the world market. [end recording]

State of emergency in the coffee harvest in Guantanamo Province. 1.5 million cans are to be collected in a month. They say they can.

Traditional Expertise Solicited for Sugarcane Harvest

FL2010031194 Havana Radio Rebelde Network in Spanish 1800 GMT 19 Oct 94

[From the "National Radio News"]

[FBIS Translated Text] To obtain recovery of the sugarcane crop and for this not to turn into a mere slogan, it is necessary to apply throughout the whole process, from the planting to the grinding stage, all the producers' and workers' accumulated experience, from the colonial times to the present. It is not a case of inventing new formulas, but of applying what has been proven best through years of experience. That is why slogans such as "Down in one cut" are used today and are revitalized, especially for the current situation where the lack of fertilizer, fuel, and other resources require us to be more efficient.

With regard to this issue, and during the National Assembly of the People's Government's productive activities commission meeting, Deputy Ramon Castro Ruz [title as heard] stated:

[Begin Castro recording] We began with the Australian-type cut, that famous Australian cut. It is not being applied the way it should. The Australian cut calls for the cane to be cut above the lowest node [cogollo], where the grass ends. That has to stay in the field. Now, there is not even food for one ox in a sugarcane field which has been cut manually. The task calls for a maximum of six percent of undesired material, of straw and other excess materials. The cane's lowest node is excess material. The cane's lowest node and everything else is cut. First of all, manual cane cutters, using the Australian cut method, no longer clean-out the straw underneath. Isn't that true? They do not clean the straw where they are going to cut. Then the combine that picks up the rotten straw from the year before comes. No complex can have good results. It is impossible for a complex that is grinding rotten straw and excess material [pauses]... The field is left bare, even though, leaving straw in the fields is most beneficial, it holds moisture. This no longer happens. How many problems result from using the Australian cut? Problems which can be corrected. Cane is no longer cut with short machetes [mocha]; everything is done by machete. The machete is the sugarcane industry's worst enemy. The short machete weights a bit more. Cane must be cut between the first and second node so that the new shoots come out near the main trunk. Then what happens? Before the cane was cut with just one blow. Down in one cut. Now, no one speaks of down in one cut, now, it is wherever the short machete or the machete strikes. [end recording]

If these measures were implemented in the sugar process would mean guaranteeing an effect recovery for the sugarcane crop.

Decree Law 149 Responsible for 460 Cases Since May

FL2010024194 Havana Radio Rebelde Network in Spanish 0000 GMT 18 Oct 94

[From the "Exclusive" program]

[FBIS Translated Text] Since May, when Decree-Law 149 was implemented, a total of 460 cases have been initiated throughout Cuba. In 130 of these cases, the finance minister has applied a confiscation resolution. It is very significant that 63.4 percent of those prosecuted are not involved in the national labor system. Furthermore, 35 percent are unemployed. The amount of 8,485,706 pesos has been taken and confiscated in this process, as well as $20,456 and a considerable number of vehicles, houses, livestock, and work implements. Month after month, the stable work rate maintained by the office of the public prosecutor, acting in a moderate but firm manner, allows them to proceed against those who become wealthy illegally.

In September, 25 cases were initiated, two of which stand out for involving two unemployed people from Arroyo Naranjo [municipality, in Havana City]. One of these persons had four cars, one truck, four machines for making plastic, one motorized wheat grinder, porcelain objects, appliances, and car parts.

Correction to Havana TV Reports Infiltration Attempt

FL1610235594

The following correction pertains to the item headlined "Havana TV Reports Infiltration Attempt," published in the 17 October Latin America DAILY REPORT, page 3:

Column two, paragraph one, only sentence, to paragraph two, first sentence, make read: ...of the Interior [MININT]: [new paragraph]

On 15 October at dawn...(correcting date)

Haiti

Army General Staff Reshuffled 19 Oct

FL2010123594 Port-au-Prince Radio Metropole in French 2200 GMT 19 Oct 94

[FBIS Translated Text] Good evening and welcome to this newscast. Let me tell you first about these thorough

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and important changes made in the ranks of the Haitian Armed Forces [FADH], notably within the general staff which has been once again reshuffled: Major General Jean-Claude Duperval is still found at the head of the General Staff of the Haitian Army as interim commander in chief; Brigadier General Henry Max Maillart, commander in chief; Brigadier General Bernadin Poisson, interim chief of the General Staff; Colonel Martial P. Romulus, interim general inspector; Col. Hebert Valmond, interim adjutant general; Col. Jodel Lesage, interim G1; Col. Mondesir Beaubrun, interim G2; Col. Antoine Atouriste, interim G3; and Col. Joseph Pierre Antoine, interim G4. The secretary of the general staff is a newcomer. It is Col. Jean-Brunel Goby who has replaced Col. Jean-Robert Gabriel.

Port-au-Prince has a new police chief. It is Lieutenant Colonel Jean-Lucien Cazeau who has been appointed executive of the Port-au-Prince police. Major Ernst Monpoint [name without title as heard].

There are new changes also in the province districts, the province military districts. Col. Jean-Robert Gabriel has been appointed commander of the Department of the Southeast of the country; Lt. Col. Marc-Antoine Metellus, commander of the Department of the Center; Maj. ad honores Dany Toussaint, commander of the Petion-Ville District; Captain (Pierre Emeric Charles), Investigation and Anti-Gang Service; Maj. ad honores Jacques Aurelus, chief of the Identification Service; Lt. Col. Irvine Mehu, duty officer [officier de service] at the Army General Headquarters; Lt. ad honores Dieudonne Phaeton, duty officer at the Army General Headquarters; Capt. Jackson Joanis, duty officer—another one—at the General Headquarters; Col. Dumarsais Romulus, commander of the Department of the Northeast; Capt. Clauzel Coridon, commander of the 30th Company of the Army; Maj. Roland Dufresne, deputy commander of the Department of the Center; Col. Diderot Lyonel Sylvain, duty officer at the General Headquarters; Lt. Col. Coulanges Justafort, commander of the Department of the West; and Capt. Jacky Mithon, commander of the 25th Company.

Posts of military attaches have also been created. Col. Eddy Louis has been appointed military attache in Paris; in the Dominican Republic, it is Col. Philippe Carrenard; in Italy, Col. Joseph Lemoine Florestant; in Mexico, Col. Marie-Alix Rene assisted by Maj. Marc Valme; in Taiwan, Col. Michel Louis assisted by Maj. Joel Loiseau; in Germany, Col. Henry Robert Marc Charles; in Argentina, Col. Ernst Prudhomme; in Canada, Col. Frantz Douby who will be assisted by Maj. Joseph Leslie Sans; in Spain, Col. Carl Dorelien; and in Venezuela, Col. Henry Robert Augustin.

Those are the changes and military posts created by decision made on 19 October, according to a note issued by the FADH General Headquarters. We will return to this reshuffle within the Army general staff and the changes made within the institution during this newscast.

Cedras' Classmates Sent Abroad, Transferred

PA2010031894 Madrid EFE in Spanish 0045 GMT 20 Oct 94

[Report by Harold Jean-Francois]

[FBIS Translated Text] Port-au-Prince, 19 Oct (EFE)—Most of the officers who graduated with former General Raoul Cedras will leave Haiti soon to assume posts as military attaches in various countries, it was announced today in Port-au-Prince.

Some of the military officers will be sent to Paris, Taiwan, Germany, Venezuela, Argentina, and Italy, among other countries.

Colonel Eddy Louis will be transferred to Paris as military attache; his comrade Philippe Carrenard will assume the same post in Santo Domingo; and Col. Joseph Lemoine Florestant will be military attache in Italy.

Col. Marie Alix Rene will be military attache in Mexico, and his aide will be Major Marc Valme, who was formerly commander of the international airport in Port-au-Prince and had ties with Joseph Michel Francois, former chief of the Haitian Police, who sought asylum in the Dominican Republic.

Col. Michel Louis will be military attache in Taiwan, and his aide will be Maj. Joel Loiseau, who also had ties with Francois. Col. Henri-Robert Marc-Charles will be sent to Germany.

Marc-Charles was chief of Army staff in 1992 and is considered one of the most intelligent officers in the Haitian Army.

Col. Ernst Pro Prudhomme, who was appointed to the Army staff last night, will be sent as military attache to Argentina, and his comrade Frantz Douby will be military attache in Canada. His aide will be Maj. Joseph Lesly Sanz, also close to Francois.

Col. Carl Dorelien, close to Cedras, will be transferred to Spain as military attache, and Col. Henri-Robert Augustin will be transferred to Venezuela.

Duperval also replaced Police Chief Col. Jodel Lessage, who was appointed by Army Chief Gen. Raoul Cedras before he left Haiti and sought shelter in Panama, where he was granted asylum.

Lieutenant Colonel Jean Lucien Cazeau, former province commander, was appointed to replace Lessage; and Maj. Ernst Monpoin was appointed assistant chief of Police.

The acting High Command appointed this evening includes Maj. Gen. Jean-Claude Duperval as commander in chief of the Armed Forces, and Brigadier General Henri Max Mayard as assistant to the commander in chief.

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Brig. Gen. Bernadin Poisson was appointed chief of staff; Col. Marcial P. Romulus was appointed acting inspector general; and Col. Hebert Valmond was appointed assistant general to the high command.

Also included are Col. Jodel Lessage, appointed G-1 (in charge of Army personnel) and Col. Mondesir Beaubrun, appointed G-2 (in charge of Army investigations).

Duperval also appointed Col. Antoine Atouriste as G-3 (in charge of training and operations) and his comrade Joseph Pierre-Antoine as G-4 (in charge of management and logistics).

Also, for the first time in years, Secretary of Staff Jean-Robert Gabriel was replaced by Col. Jean Brunel Joby.

Gabriel, who was appointed commander of Sud-Est Department with headquarters in Jacmel, had held the post since Jean Claude Duvalier was ousted on 7 February 1986.

Most department commanders were also transferred, including Lt. Col. Marc Antoine Metellus, commander of Centre Department with headquarters in Hinche, close to the Haitian and Dominican Republic border.

Maj. Dany Toussaint—who arrived in Port-au-Prince on Saturday with President Aristide, whom he followed into exile—was appointed to Petionville District.

Toussaint was one of Aristide's bodyguards before the September 1991 coup d'etat.

Captain Pierre Emerit Charles was appointed to the Investigation Service, replacing Captain Jackson Joanis, who was transferred as service officer at the Army General Headquarters.

Most of the officers who had ties with Cedras and Col. Francois have been sent abroad or transferred to the Army General Headquarters without a troop command.

Senate Approves Paramilitary Group Dismantlement

PA2010033094 Madrid EFE in Spanish 0107 GMT 20 Oct 94

[FBIS Translated Text] Port-au-Prince, 19 Oct (EFE)—The Haitian Senate on 19 October approved a bill calling for the dismantlement of paramilitary groups operating in the Caribbean country, which were very active during the Duvalier regime and the previous military government.

The measure brought an end to such organizations after taking into consideration that the existence of certain armed groups favored the 30 September 1991 coup d'etat and in an effort to prevent practices that degrade human dignity through torture.

The new legislative provision bans the existence and operation of armed organizations except for those established by the Constitution.

It states that those who violate this provision will be imprisoned and repeals any law or decree law previously issued.

The law will now be sent to the Chamber of Deputies for definitive approval and will then be sent to President Jean-Bertrand Aristide, who will order its publication.

This law will be published soon if the Chamber of Deputies follows the Senate's lead and approves it.

This law to dismantle paramilitary groups is part of a package of three laws presented to the Parliament by President Aristide when he was called to a special session on 28 September to issue an amnesty law for the coupist military men.

Port-au-Prince Police Garrison Commanders Appointed

FL1910220294 Port-au-Prince Radio Metropole in French 1045 GMT 19 Oct 94

[FBIS Translated Excerpt] [passage omitted] Colonel Seide Lucien Ambroisse has been appointed director of the anti-drug service's Joint Information and Coordination Center.

It should also be noted that four new commanders were appointed to police garrisons in the capital. They are Captain Yves Hansy Champagne, in Delmas; Pierre Estalisnas Neptune, at the Cafeteria; Pierre Duquesne Rodney, at the international airport; and Lieutenant Dieudonne Faeton, in Petionville.

Aristide Holds News Conference 19 Oct

FL2010000394 Port-au-Prince Radio Nationale in Creole 1525 GMT 19 Oct 94

[Opening statement by President Jean-Bertrand Aristide at news conference with unidentified correspondents at the National Palace in Port-au-Prince—live]

[FBIS Translated Text] [Words indistinct] goes along with the Haitian people so democracy, peace, and reconciliation can spread throughout the country. We take this occasion, our first news conference, to express appreciation to a friend who is walking along beside me in achieving this reconciliation. It is President Bill Clinton. I encourage all of you who are helping parents and students with this new school year. Congratulations and thanks to all the friends in the international community who are helping us face this new school year. UNESCO, for example, already has $1 million available for assistance within the scope of the literacy campaign. UNICEF and UNESCO, which are interested in education, continue to help with $3 million to be used for scholarships, from which 20,000 children will benefit; distribution of materials for 12,000 primary school teachers, 60,000 preschool children, and 200,000 primary school students.

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USAID has advanced $1 million for books, intended for 150,000 children. Within the scope of assistance for improvement of the environment, Vice President Al Gore will sponsor the participation of 25,000 children in pilot projects, as well as training for 10,000 teachers as soon as possible. In addition, the World Food Program is helping us to establish cafeterias in the north and in the northeast while helping us to establish order in the other departments. This could yield about 168 cafeterias, with the expectation of more. The schools need to be repaired. The multinational force is helping to quickly repair 47 schools. There are 500,000 notebooks and 500,000 pens that will come from Europe to help school students.

Concerning the money taken by Jean-Claude Duvalier, the lawyers who were working with us during the three years of exile continue to make legal efforts to see how and when we can finally resolve this problem. Meanwhile, our lawyers have so far managed to get back $250,000, which is nothing in comparison to what he took. This money is in a bank in the United States. When the students and the university agree, I will have the foundation stone laid for the construction of the university on the campus that Jean-Claude Duvalier took in Croix-des-Bouquets. We have symbolically decided to use the $250,000, of the money stolen by Jean-Claude Duvalier, to lay the foundation stone for the construction of the university for youths on the land that Jean-Claude Duvalier had stolen.

Canada has contributed significant aid so we can help parents and students alleviate their problems at the beginning of the year. Canada has made $7 million available for the repair of schools and community clinics, and for (?development). Thanks to this, there is another $3 million in a bank here, or about 15 million gourdes, which we can use today or tomorrow to help students. There are no more details on that. I encourage the Ministry of National Education—I congratulate them too for the work they are doing—and all other people working in education here in Haiti. If the cost of living is very high, it will be difficult for parents to face education. It happens that the cost of living is currently very high. It must decrease so parents can have relief.

Regarding the price of gasoline, as long as it remains high, it will be difficult for students, who just spent three years in a difficult situation, to move around. Three years in a difficult situation for the students means three years in a difficult situation for the parents as well. This is why, when I make calculations with economy technicians on how I can alleviate this problem, I note that while gasoline costs 38 gourdes in the gas stations, the government gets 24.58 gourdes of these 38 gourdes. The diesel, which costs 25 gourdes in the gas stations, allows the government to make 13.14 gourdes profit.

The head of state with his technical advisers, together with the government, will continue to examine how much money the state can substract from what remains of it, for the price to drop so transport can cost less. It will be good for parents, for students, and for drivers who need a lower cost of living to feel relieved.

If we connect our concern for improving the situation of parents and students with social reality, it leads us directly to security, insecurity, and plunder. What do we have to say on that issue? First, we condemn all acts of violence, vengeance, and looting. Second, we observe that some plunder was conducted with weapons, with generators to provide electricity for the unlocking of doors, and with heavy trucks for transporting stolen merchandise. Third, we clearly see that it is a plan to discredit the beautiful democracy and reconciliation that has begun to spread throughout the country. Fourth, it is this same plan which encourages violence on legislators or other decent citizens, again to discredit the beautiful work that has begun.

With great conviction, we condemn all those acts of violence. I have asked the minister of defense and the minister of the interior to take all necessary measures to establish peace, security, and calm in the country. As we have seen, the ministers of defense and the interior have already begun to take measures. Last night—not last night, this morning—at about 0700 GMT, I was working on the Haitian Army's file after several meetings I held with the ad interim commander in chief and other officers to see how we can work together, side by side, so that when a person calls to ask for help because people have come to plunder his house, the person can find the police, a force that keeps order and peace in protecting everyone. When there is democracy, force of order must keep order in disorder. That is why I continue fulfilling my duty by working through dialogue, mutual respect, with all the authorities concerned in maintaining order. Some changes have been made within the Army with respect and dialogue, to allow us to support the institution, so it can stop being completely sluggish, and at the same time, so people do not find themselves attacked by weapons without any authority keeping order.

Beautiful work has begun in this country, especially since 19 September. This work continues so that weapons that were killing people are taken out of people's hands, put aside, or even destroyed, because what we want is peace.

Congratulations to all citizens who are working so the light of reconciliation continues to spread throughout the country. We are pouring the coffee of reconciliation through the filter of justice, to filter out the grounds of violence and vengeance.

[In English] We will continue saying no to violence, no to vengeance, yes to reconciliation. This is our goal. This is our determination. There is no doubt about our firm commitment to build a state of law through reconciliation, through peace without violence, without vengeance. We are happy to see, with the international community, with the U.S. troops, and with the international force, that we are on our way. Building this state of law where peace [word indistinct]. Reconciliation has to

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be the [word indistinct], and this is already the case. We just have to continue the same way.

[Back to Creole] For us to continue moving in the same direction, [word indistinct] here in the National Palace, [word indistinct] for all Haitians, without distinction, because the president is the president of every Haitian.

Yesterday, I spoke on the phone with several people in the private sector who are important and indispensable to our work.

Today, this morning, I made calls again, to leaders of political parties also. There will be a meeting here with heads of political parties, members of political parties, members of the government, and the president, so we can see how we are going to set up the timetable for the elections that will be held, probably in December. It has been proposed that we hold a national conference. There is no problem. What we want is to join together, hand in hand, so everyone can feel at ease, that they are living in a new Haiti, another country based on justice and respect, in reconciliation and democracy.

There will also be another big meeting with the parliament. I already met with the Senate president and the Senate office. This morning, I had a very nice conversation with the president of the Chamber of Deputies. We are working together to see how we can hold a nice meeting here. I wanted to go to the parliament to visit and embrace them so democracy can grow stronger. But what did we see? On the morning of 17 October, while we were about to go to the National Pantheon Museum [MUPANA], the lavalas were out in the streets, standing in the way of the procession. The procession was compelled to move back. It did not take up weapons, it did not take up clubs. It moved back, with dialogue and respect. That is democracy. I (?am wondering): If this procession had to leave the National Palace to go down to parliament, how would I pass through the lavalas to get to the parliament? Probably, it would not be easy, and it might even be impossible. Therefore, I believe the meeting will take place here at the National Palace where the executive and the branches of parliament can embrace, to tell the entire world how proud Haitians are when they are getting things right, hand in hand, when they are putting their country back on the track of democracy in the wind of reconciliation.

There will be meetings here too with the private sector. This is why we initiated dialogue. I already met several of them yesterday. We are going to organize ourselves so we can hold pleasant meetings here, where there will be joint commissions of the private sector, the government, and the executive so we can move along, hand in hand. The country's economy will remain in bad shape if the private sector and the government do not move hand in hand. Fortunately, we are moving hand in hand. We encourage the private sector to keep moving the way we are moving along with it.

There will also be pleasant meetings with labor unions, socioprofessional organizations, people's organizations, peasant organizations, basic church communities, all the student organizations, and so on, which are looking—together in dialogue—for light, which are looking for a way to deliverance so we can make our country attractive.

The last part of the speech is related to the first two parts. I know if I asked many journalists what question is most important for them to ask me, they will probably say: Who is the prime minister? Do not be disappointed if I do not yet tell you that. I am going to tell you first, broadly, what work the prime minister will have to do in the forthcoming 120 days. He can modify the work. This means he can change it, but the president, who will choose him, will inform the nation what he believes the prime minister should do in the upcoming 120 days. After he discusses this with the prime minister, and the prime minister, along with the government he is going to form, allows it to be modified, if necessary—but before we give the name, we will give the program. We will give the outlines that will guide us in the choice and the work that has to be done.

First of all, the Haitian Army must be professionalized. The prime minister, in compliance with the Constitution, is responsible, with the head of state, for making the project of professionalizing the Haitian Army a reality.

So that you may have more time to ask questions, I will not give much detail on that. Second, the police force must be structured to be separate from the Army. It is the first time that this will be done with the Haitian Army. And it will be done with the parliament because the parliament will have to vote the law on the police.

Third, is decentralization. If there is no decentralization, democracy will not work smoothly. The parliament, hand in hand in respect, will have to vote the law on decentralization. Fourth, we must have economic democratization. In other words, dialogue must be held so we can decide on how to get the state firms out of the condition they are in right now. Fifth, the public sector must be restructured. The parliament will therefore also have to work on voting the law for restructuring the public sector.

Sixth, elections must be held. Elections soon [as heard] and presidential elections will follow, probably in 1995. The people are going to be happy when they see that the drum of presidential elections will be beaten so that democracy can achieve its second election, a second election that will not carry a coup d'etat behind it. From then on, we must have the Provisional Electoral Council, CEP. All of that requires a great deal of thinking by the prime minister.

Seventh, as I said a while ago, a vast institutionalized agreement must be reached between the state and the private sector. If we speak of a market economy, if we speak about a country that is to be autonomous, with its dignity intact so it can plant without an umbilical cord attached to anyone, so it is free to feed itself, it will be

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necessary for this country to create an open market—to buy and sell and do business as it is practiced by the rest of the world. In December, an important conference will be held in Miami, which will require the private sector, along with the state, to begin thinking about how Haiti can enter this large market.

Eight, the government, with the prime minister, must study how to make the existing relations with the international financial institutions, the banks, dynamic. We must see how our relations can make more money to be invested in the country.

Nine, the question of justice. This is the big part. It is necessary to reinforce the autonomy of the judicial power, to begin judicial reform. Law on the penal code must be worked out. The number of civil courts must be increased from 11 to 24; the courts of appeal, from five to nine; and the courts of peace, from 274 to about 348. These must be set up. All of this requires a great deal of work. Intensive training must begin for 1,700 judges, who must be hired by the Ministry of Justice. This is no small job that can be done without cohesion.

We must reinforce our relationship with parliament so there is no one fighting another, but instead respecting one another. Legal opposition must exist. There is no democracy without opposition. With respect, we will walk alongside opposition because opposition plays an important role in democracy. Opposition must criticize, and help the executive see the difference between its own projects and the opposition's projects. It is with dialogue, respect, discussion, that we will help democracy to move forward.

Finally, a tripartite formation must quickly exist among the state, the private sector, and labor unions to at the same time protect the interests of workers and employers. We the state, our guarantee is respect for human rights, respect for employees' rights, respect for employers' rights, so that employers, employees, and the state feel they are working together.

I am sorry that I might have spoken too long, but I am pleased that the time has come. It is your turn to ask questions. I will try to share answers with you.

Deputy Seeks U.S. Asylum, Accuses Aristide of Backing Abuse

FL1910160994 Port-au-Prince Signal FM Radio in French 1030 GMT 19 Oct 94

[FBIS Translated Excerpt] Lones Joseph and Geffrard Delicier, deputies of the 45th legislature whose lives have been uprooted, told the press on 18 October that they were manhandled by individuals who raided their homes in Delmas 19. The deputies pointed an accusing finger at President Aristide. They believe that the Haitian head of state's address to the nation upon returning to Port-au-Prince on 15 October prompted these and other attacks nationwide. Daly Valet reports:

[Begin recording, in Creole] [Valet] The deputies met the press in Parliament's diplomatic lounge on the afternoon of 18 October with teary eyes, sad hearts, and sober expressions. The speakers denounced the demonstrators' violent acts on 17 October of which they are victims. Deputy Lones Joseph pointed an accusing finger at President Aristide while recounting the events, saying that Aristide prompted the people to commit such acts in the address he delivered on 15 October. The deputy is seeking political asylum in the United States for himself and his entire family. He asked: Where is the democracy that everyone is talking about?

[Joseph] Why have they started attacking opposition deputies only after the veiled reconciliation address? Were the opposition deputies not elected just like President Aristide was elected in the latest elections? Why does President Aristide not say anything or take any action? He does not raise his voice. Why can he not mobilize the people who obey him when he speaks? Why can he not ask them to give those opposed to his government a bit of a chance? I am not well. I cannot talk for long. I do not feel well after receiving so many blows to the head. I cannot stay. I must get to the doctor. I just wanted to tell you this and to let you know that I am in contact with the U.S. Embassy about political asylum for myself and my family. Our lives are threatened. [passage omitted] [end recording]

Netherlands Antilles

Islands Vote To Remain in Netherlands Antilles

FL1810192194 Kingston RJR Network in English 0300 GMT 18 Oct 94

[FBIS Transcribed Text] The people of the Dutch Caribbean islands of St. Maarten, St. Eustatius, and Saba have voted overwhelmingly to remain within the Netherlands Antilles. The voters chose from four options: remaining within the Netherlands Antilles, each island becoming an autonomous country within the Dutch kingdom, integrating into Holland, or seeking independence. In St. Maarten, 59 percent of voters said they prefer to remain in the Netherlands Antilles, with 32 percent voting for the islands to become autonomous. In St. Eustatius, 86 percent of voters wanted to remain a part of the Netherlands Antilles, while 91 percent of Saba preferred that option. The status referendum was held last Friday [14 October].

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Deputy: U.S. Ties Threatened by Proposition 187

PA2010043894 Mexico City UNOMASUNO in Spanish 19 Oct 94 p 4

[Report by Jorge Octavio Ochoa]

[FBIS Translated Text] Luis Danton Rodriguez, president of the Chamber of Deputies Foreign Relations Committee, yesterday warned that for the first time in 20 years, diplomatic relations between Mexico and the United States are threatened, this time by the virulence of the U.S. anti-immigration measures. Interviewed in San Lazaro, the legislature's meeting place, he said the seriousness and scope of Proposition 187 is such that even NAFTA could be harmed or hindered, bilateral relations in general could be altered, and the population could suffer severe economic and social harm.

He said that Mexican congressmen "are hurt" because California legislators in past meetings had offered to consult them before making a decision. Nevertheless, the decision has been made, and the consequences threaten to spread throughout the northern border region.

Relations have "cooled," he said. These measures are contradictory, inconsistent, and contrary to NAFTA, because although there is talk of opening borders to trade, the U.S. authorities have created a veritable climate of hostility to anything Mexican.

This is neither healthy nor right, he said. Nevertheless, he openly admitted that "the national representation (the Congress) lacks a solution that will provide continuity" to face these problems. The Congress' only solution at hand is rejection and making political statements such as that released by the Permanent Committee eight days ago. "Anyway, it is the Mexican Congress, not a faceless crowd, that protests and rejects these measures," he said. He added: "All measures of force engender violence. We are concerned because we know how our people react to acts of impunity. We would not like our diplomatic relations to become difficult."

He also considered it ironic that while Mexico makes its laws and territory flexible to the arrival of businessmen and even promotes Immigration Form N so businessmen can enter the country without trouble, the United States solidifies its discriminatory, racist measures to close its borders.

For these reasons, he reiterated his concern regarding the future of diplomatic relations. Last Sunday's demonstration was unprecedented. It was one of the largest and the Mexican people who participated the angriest ever in the country.

He added that the only existing precedent for such drastic measures like those that reportedly will be applied by the United States and which include the withholding of rights and services for workers residing in the United States occurred 20 years ago during Richard Nixon's administration.

Foreign Secretariat Declares State of Alert on Border

PA2010044894 Mexico City LA JORNADA in Spanish 19 Oct 94 p 13

[Report by Victor Cardoso]

[FBIS Translated Text] The Foreign Relations Secretariat (SRE) has declared a "state of alert" in all cities along the northern border and has issued instructions to consulates to implement contingency plans to receive illegal Mexicans in the event that Proposition 187 is approved in California and extended to Arizona and Texas.

According to diplomatic sources, the Mexican consulates in these three U.S. states have contacted federal, state, and municipal agencies in Baja California, Sonora, Chihuahua, Coahuila, Nuevo Leon, and Tamaulipas to make contingency plans to receive deported Mexicans.

The Mexican authorities foresee the installation of shelters, medical posts, children's vaccination posts, strengthening emergency services, and providing alternate education programs for children of illegal workers who may be deported.

In the area of Tijuana alone, Health Director Roberto Escalante Guerrero participated in the preparation of emergency programs to offer medical attention to all deported persons who arrive in that zone.

The Mexican consulates in states bordering the United States are waiting for SRE authorities to increase the budget or send additional personnel to support civilian groups and organizations in that country which have organized to counter the campaign for what is also known as operation Save our State [previous three words in English], which is still supported by a majority of California voters.

All Mexican consulate personnel have been urged to provide information or assist Mexicans whose interest, safety, or human rights are affected by the California Government's proposal.

The consulates, with the help of civilian and human rights organizations, have distributed information leaflets to Mexicans of legal or illegal status detailing the procedures they must follow should they be arrested or attacked by border patrol agents or any other authority.

Mexican consulates have conducted a strategy involving conferences, posters, leaflets, and anything within their reach to make known the Mexican Government's position toward Resolution 187.

It was also reported that San Diego civic organizations are preparing to stage a demonstration to protest Proposition 187. It will be a demonstration similar to that staged in Los Angeles on Sunday when approximately 150,000 people marched to protest Governor Pete Wilson's initiative.

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It was noted that the protests will increase as the 8 November elections become closer so California residents will become more aware of the inadvisability of Proposition 187 as well as its racist nature.

According to a LOS ANGELES TIMES poll published over the weekend, 59 percent of people who are eligible to vote in California support the measures proposed by Wilson, 33 percent reject them, and 8 percent are undecided. As for registered voters, 61 percent support it, while 32 percent are against it.

During a debate on Friday, candidate Kathleen Brown was believed to have more convincing arguments than Governor Pete Wilson, who is seeking re-election, but Brown was unable to substantially increase the number of voters who would reject the proposal.

This situation has increased the level of anxiety among people of Mexican origin, particularly illegal aliens.

Report Previews Trade Negotiations With U.S.

PA1910210394 Mexico City EL FINANCIERO in Spanish 18 Oct 94 p 18

[From the "Corporativo" column by Dario Celis Estrada]

[FBIS Translated Text] As of today, Israel Gutierrez, SECOFI [Commerce and Industrial Development Secretariat] negotiator for NAFTA on complex matters regarding the automotive, iron and steel, and cement sectors, faces a difficult assignment in Washington. Gutierrez begins several meetings with his U.S. counterpart in an effort to reach conciliatory agreements to resolve the controversy being faced by these industries within the framework of commercial exchanges between the two countries.

The disadvantage for Mexico, and specifically for Jaime Serra Puche's team, is time. The Mexican team is running out of time, and, to top it off, the U.S. team has stalled negotiations on the main points of the bilateral agenda.

As for the cement sector, as you may recall, not even the statement in favor of national industry made to the GATT panel was able to convince trade authorities in the Clinton administration to void the antidumping tax on Mexican exports. This measure has driven U.S. imports down 25 percent, adversely affecting companies like Lorenzo Zambrano's Mexican Cement. Sources in the U.S. Congress have said that one of the main obstacles already being noticed—and which Gutierrez will have to tackle during his stay—is a vulnerable negotiating position of President Carlos Salinas' team, given the upcoming change in administration.

Another factor playing against the SECOFI delegation now visiting Washington is the prevailing disputes within U.S. organizations that regulate trade. It has been said that despite the good intentions expressed by Jaime Serra and the willingness expressed by Mickey Kantor's aides, any advances by Israel Gutierrez and counterpart Joanna McIntosh would be countered by the so-called "hawks" of the U.S. Commerce Department—mainly, Joseph Spetrini, responsible for the dumping issues, and Jeffrey Garten, deputy secretary of commerce.

This situation could place Mexican cement companies at a crossroads because if the conflict prompted by the Commerce Department's legal obstacles—which argues that dumping is the appropriate solution and an import quota would be an unwise policy—is not resolved, national industry would run the risk that taxes on Mexican imports might be increased even more during subsequent administrative reviews. This situation shows that there is always a way of imposing barriers outside NAFTA on those products in which Mexico has a competitive advantage.

Those following this case closely insist that it is time that the Mexican Government—specifically, the incoming administration of Ernesto Zedillo—assesses the possibility of imposing sanctions on U.S. imports because as has been confirmed over time, underground political agreements that leave matters unresolved to maintain political favors do not work and harm the national interest. If you do not believe this, just examine the results of post-NAFTA negotiations in the iron and steel and the automotive sectors or recent measures to get rid of Mexican illegal immigrants.

Chiapas Mediator Comments on Peace Process

PA1910131294 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 17 Oct 94

[Interview with Bishop Samuel Ruiz, mediator of the peace process in Chiapas, by Rosa Maria de Castro at the network's studio in Mexico City; from the "Early Morning" newscast—live]

[FBIS Translated Text] [De Castro] We thank Monsignor [title as heard] Samuel Ruiz, who has been the mediator in the Chiapas conflict since January 1994, for being here at Television Azteca with us today.

I would like to get right to the main issue. The question that has caught the attention of the press in general here in Mexico is the suspension of talks between the Mexican Government and the Zapatist National Liberation Army [EZLN]. Why were the talks suspended? Why were they broken off?

[Ruiz] A document issued by the EZLN Clandestine Indian Revolutionary Committee-General Command lists the reasons for calling off the talks. According to them, the suspension of the talks is just the formal acknowledgment of an already existing situation. As they see it, there was the impression there was an ongoing dialogue while there were also conflicting activities going on at the same time. They have reported these acts of intimidation by the Mexican Army as troop mobilizations and other related activities, but the Army has

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officially denied the charges. Most recently, as explained in a communique I saw yesterday, several Indians said they had witnessed movements by Army troops toward EZLN territory. The acknowledgement states it is useless to continue the dialogue when there was nothing going on, and, therefore, they chose to call off the talks.

This move does not mean there were proposals. There was one significant proposal made by the peace commissioner that we have recovered, the Verification Commission. This commission would ensure that confirmation of fulfillment does not depend solely on affirmations by either side or that no threats or intimidation would occur.

[De Castro] The ceasefire was called in January, and the following dialogue apparently did not focus on any specific issues according to public opinion. You may recall the talks did not seem to advance in any specific direction after February, when they reached what are now known as the February Accords. Is this a valid perception?

[Ruiz] I believe this is a significant question. The impression was that the proposals or demands they made and the official response from the government moved into a study phase. They have reported this point in full detail. I, as mediator, understanding my role as the translator of the cultural aspects of the process, took it upon myself to clarify that there were five different languages to handle, that a great majority of the Indian people had linguistic limitations, and that many of the terms that had to be used were beyond their grasp. It took some time to understand and examine the documents drafted in San Cristobal, then to take them to the general command, and to finally present them to the population in general. That process was truncated due to troop movements they interpreted as a bolstering of Army forces, after which they went on red alert.

This was followed by a period that came far too close to a very delicate phase; that is, the Mexican electoral process. Thus, 21 August got too close, and this set a definite deadline on the talks. They needed to reach a political decision regarding the administration with which they would negotiate and the administration which was to fulfill these agreements.

[De Castro] You mentioned a very important issue. Many political analysts see this new EZLN position as a way of negotiating or trying to negotiate with the incoming administration instead of the outgoing administration. Could this point also be true?

[Ruiz] I do not believe I can speak about what their will is. I would have to think carefully about it first.

[De Castro] What is your impression?

[Ruiz] My impression is that it is obvious, given the nature of this very special timeframe. The nearer we come to the end of the presidential period, the less clear it becomes to the parties what issues can be presented effectively during this period and what issues, the majority, can be dealt with over a much longer period.

These problems did not occur overnight, and so they require significant attention. We feel there is no need to get to the very end of the process but, rather, to ensure that the process of change or response continues. That is the assurance the Mexican people should find in this matter, as a new stage is just beginning.

The problem at this moment is that there is a growing deterioration in the state of Chiapas. There is also a lack of conscience regarding the fact that Chiapas is not just a corner of the country but holds the potential for change, as well as the potential for deterioration for the rest of the country.

[De Castro] Samuel Ruiz Garcia, there is an important matter here. Where does one conflict begin and end, or what are the agreements and disagreements among the four fundamental points? 1) The local electoral conflict. Eduardo Robledo Rincon, the virtual winner of the elections for governor in the state of Chiapas, should be sworn in on 8 December; 2) The ethnic-religious conflict; 3) the Indian conflict represented by the EZLN; and 4) the national political conflict. Where does one conflict end and the other begin?

[Ruiz] They are related. There are no boundaries between these conflicts. It could even be seen after 1 December, when 3 percent of the Indians from Los Altos de Chiapas said enough [sentence as heard]. It was clearly understood by members of our entire society. For example, not just Indians from Mexico came here. Indians from the United States and Canada also came to show their physical presence in Chiapas and to say their demands are also our demands.

The same thing was done by numerous Indian groups in Central and South America who have stated they have supported the demands of the Chiapas Indians, even though they did not choose a violent path as the Chiapas Indians did. It can be seen that the Indian problem is not a Mexican problem only but, rather, a continental problem. It is the expression of a segment of society which is living on the bottom floor and which is now rebelling. It is prompting us to feel that the possibility of undertaking a historic change is near.

Concerning the electoral situation, the connection is very clear. If the properly documented evidence is collected and if the electoral crimes are proven to be of such a magnitude in Chiapas that the authorities would have to recognize not only their mistakes but a case of fraud, the recurrence of the same phenomena that took place in Chiapas and in the entire country should indicate to us there is an evidently clear relation.

The postelectoral effervescence in Chiapas is stronger than in other parts of the country, because the phenomenon has greater repercussions for the people. If this

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situation is not resolved, there will not be a peaceful situation in Chiapas on 8 December.

[De Castro] Critics of what is going on in Chiapas and the critics of the EZLN—I am going to stand on this side of the conflict now—say the EZLN people are using the electoral issue to give national dimensions to what was a local issue. The specific question is—let us suppose the elections were honest—if Mexicans said no to violence and no to weapons, why insist on threats of war, which are what Subcommander Marcos made last week?

[Ruiz] I believe we have to read the words very clearly. I also read yesterday—I do not know whether we read the same sources—a demand, which seemed almost like a desperate appeal. Some may interpret it as an unduly reprimand of the civilian society that was present at the convention. Marcos told them: If you cannot reach other parts of the country, do not come to Chiapas.

You have to prove to us you have the capability of attaining a social change through nonviolent means. Show us it is possible. We believe we are not the only means. We believe the armed solution is not the only solution, and perhaps it is not the means to attain peace. Show us it can be done through other means; therefore, there is not a declaration of war there; it is an urgent appeal to seek a new path.

The situation in Chiapas is serious. There is a great urgency to resolve the situation. The situation is being polarized, and if there is not a new dialogue to discuss specific situations and to discuss civic solutions, it will not be the fault of the EZLN but, rather, of our indolent nature, which they have stirred up since 1 January. Marcos told them: Take on your historic responsibilities, participate, grow, and be present in a new dimension.

[De Castro] Prior to discussing the initiative presented by [name indistinct] on Thursday, an initiative we want to go into in detail, I would like to pose a question that will somehow touch on another critical aspect of the mediation task. Why has Samuel Ruiz Garcia, in his role as mediator, been so criticized? You do know that you are called Commander Samuel. There is talk that perhaps you are not unbiased in the handling of the conflict. I would like you to defend your position.

[Ruiz] I am nothing more than a mediator between two groups engaged in a dialogue. Prior to the break in the dialogue and the government's repeated efforts and political will not to opt for a military solution immediately after the announcement of the break, my role so far had been one of a communicator, an interpreter, and a facilitator in the communication.

Right now, I see there is a new stage in the dialogue. We took a new stand. We are involved in a mediation that is collective, a mediation that is being shared. We just invited personalities to help us with a greater presence and a greater capacity to promote broad dialogues that will lead to proposals that can be negotiated, and, most of all, implemented later.

A network of committees was established when my name was proposed for the Nobel Peace Prize. I am working on a message of appreciation to them. I want to ask them not to stop their effort. Instead of being committees to collect signatures, we can now use this network of committees for peace. They can become committees that will create a peaceful explosion in the country.

We believe this current moment is extremely important. Although it may not be known, as it has happened in the past, Chiapas has a relation with the entire nation, and our future is at stake here. It has been very clear to us since the beginning that the declaration of war was not against the Army or the soldiers stationed in Chiapas but, rather, against the Mexican Army. This position was a national one and a summons to the people for their active participation in achieving a much more democratic government.

[De Castro] Of what does this initiative you presented last week consist? I also want to ask you whether this initiative had the consensus of the other parts.

[Ruiz] No, it did not, but I believe the parts will have to avoid having a subsequent consensus, although strictly speaking this is an enhancement of the mediation's potential; this is not another intermediation but a collective intermediation. We are still the coordinator of this collectivity. One of those invited has said quite nicely: I have worked, struggled, defended, and looked for a society where classes do not exist, where there is no hierarchy, and I recognize you as the hierarchy of this mediation.

There are specific points on the agenda that must be thoroughly discussed, particularly so in these circumstances so near the end of an administration, and there is still no indication of the initiation of the other. How can a problem that has been taken up be given a guarantee that it will be continued later? This is a problem of interpellation. Besides, there are conditions demanding a demonstration of not only words but of a true willingness with proof of actions. Furthermore, we are very pleased to hear the brave proposal made by the peace commissioner, who has suggested a verification commission to confirm the facts that are being reported, such as violations and intimidation by the Mexican Army. We should also see whether something similar is not taking place on the other side.

We propose a return to the boundaries established in January, clearly delimiting the locations of both armies. The Mexican Army ran over these boundaries from the beginning, and there was no way to control the situation.

We are now proposing a return to those boundaries and also the avoidance of events that may tarnish the ceasefire. We hope the dialogue can make peace possible and make it impossible to violate the ceasefire.

[De Castro] We also know the eight people you nominated to this commission, which will support you in seeking peace, have accepted the nomination. Who are they?

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[Ruiz] We have here a letter.... [pauses] One has to invite people one knows. Had I known you before, I would have invited you to join this commission.

[Castro] No thank you. That is very kind of you.

[Ruiz] We have invited people we have known for a long time and who have a great moral quality among the people. We invited Mrs. Concepcion Carrillo de Nava; Mr. Juan Banuelos; Oscar Oliva; Heraclio Cepeda; Pablo Gonzalez Casanova; and (Alberto Sequidi), whose father died yesterday, to join this commission. I hereby wish to express my condolences to (Sequidi) on the death of his father. He sent me a document accepting this nomination. Dr. Raymundo Sanchez was also appointed to this commission.

There is one person we have been unable to contact, Juana de Garcia Robles, because she is out of the country, but we hope to make contact with her immediately after she arrives. They state in their letter: We have considered the important initiative for a new dialogue you have offered in your capacity as mediator and have decided to join this initiative fully, with the understanding we will carry out our role under your guidance. Your work for a peace with dignity and justice represents the main guarantee of success, which we must insure for the sake of our country; therefore, our acceptance is not of the mediator—I am still the mediator—but of the terms of the new dialogue. This is what requires acceptance.

The Zapatist National Liberation Army should recognize the conditions we are setting will guarantee goodwill on the part of the government to hold talks and also demonstrate they have this desire. It seems there is a [word indistinct] for both, but, above all, we are thinking about the emergence of new parties, which had not surfaced before. These parties are now emerging in Chiapas and throughout the country to make not only demands but peace proposals. They are willing to give all they can in favor of peace. Consequently, peace will not be attained by accords but by the people's agreement on a pace of transformation with the proposals that will be executed.

[De Castro] Have you been pressured by different groups that have interests in the Chiapas conflict? Have you been pressured by the upper hierarchy of the Catholic Church, which made you travel to Rome recently? What is going on?

[Ruiz] No, no, nobody made me travel....

[De Castro, interrupting] Did you travel to Rome out of your own initiative?

[Ruiz] Yes. Every five years there is a report called [word indistinct] and we divided ourselves in three different groups. I was in the second group. I had gone earlier in May due to a special circumstance that I consider appropriate to explain now. At that time, in May, I perceived such [words indistinct] that if a series of events had not occurred, I was nearly sure there was going to be a violent and irreversible situation throughout the country. And I went there to explain I possibly was not going to show up for the [word indistinct] visit. I had to explain what was going on. We were facing a [words indistinct], and if certain conditions did not exist—we had become polarized following Colosio's assassination and its consequences—I thought there may be an outbreak of irreversible violence. Fortunately, this did not happen. This prompted me to go to Rome to explain the situation in Chiapas.

But at this time, I want to state three fellow bishops have made statements in favor of this initiative. We submitted this initiative to all of them. They are Cardinal (Robipio), Archbishop Carlos Quintero, and Mr. (Ruiz Jucuan Sandoval) of Guadalajara. They have made favorable comments on this peace initiative.

[De Castro] This will not be the last time we will interview you, particularly after this is presented to the parties and public opinion in general, because certainly all Mexicans will be involved in this conflict.

[Ruiz] That is right. I believe this is the fundamental point; peace is a common goal.

Peace Commissioner Replies to Mediator Ruiz

PA1910133194 Mexico City Radio ACIR Network in Spanish 0000 GMT 19 Oct 94

[Report by Juan Carlos Santoyo; from the "Evening News Panorama"]

[FBIS Translated Text] The first thing Peace Commissioner Jorge Madrazo Cuellar has stated in a communique is that the Mexican Army will never jeopardize the cease-fire in Chiapas. He said his reply to Samuel Ruiz Garcia, the San Cristobal bishop, is that a solution to the painful conflict that erupted in the highlands of the Lacandon Jungle must originate in a dialogue. He added the goal should be, above everything else, not fighting but agreement and a political settlement, which is the only acceptable one. He went on to say that Bishop Ruiz' commitment to seek a peaceful solution is adequate but that it is necessary to speak the truth as the prelate himself has said.

The government must seek a political and negotiated solution, never a confrontation with the Zapatist National Liberation Army [EZLN], Madrazo Cuellar said. He spoke of the new conditions for the dialogue and said the president of the republic has ordered the Mexican Army to fall back not only to its 23 March positions but to those held on 12 January 1994. A dialogue will be opened with all political parties in Chiapas, he said, so the 21 August electoral process can be studied. The filed reports will also be investigated. The essential portion is included on this agenda, which he describes as his agenda for a new dialogue:

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[Begin Madrazo Cuellar recording] Agenda for a new dialogue. Concerning the proposed subject, it is essential to keep in mind that the political reform that has been implemented is being discussed and will continue to be studied and debated in the future for expanding and improving our democracy is of the utmost national importance and concerns dialogue and consensus among political parties, social forces, representative groups, and members of Congress. Undoubtedly, the EZLN's opinion, proposals, and expectations have to be collected, discussed, studied, and then handed in to Congress. In addition, it is essential to incorporate into the dialogue agenda an explicit and clear agreement on the terms for a bilateral cease-fire.

3. [number as heard] Procedures for a new dialogue. Regarding this point, I hereby request that you clarify the following sentence in your document. Open quotation marks. To associate national affairs with state and regional affairs regarding problems, participants, circumstances, and processes. Close quotation marks. This clarification is hereby requested, because there is no full agreement between the national situation and the local and regional situations. Consequently, I find no automatic agreement between participants, circumstances, and processes.

4. Formation of a new national mediation commission. Mr. Bishop, I agree with you on the need to reinforce the mediation to make it more effective and so it can contribute more effectively to the peace process. It must be kept in mind that the mediator in a conflict must remain neutral and impartial at all times so his function can be efficient and responsible. You have been found to embody all these characteristics. Mediation does not possess an identity of its own but exists by the will of those who maintain the controversy. Nevertheless, you have never consulted the government about the tasks, participants, and procedures involved in your proposal for a new commission.

It is necessary to clarify that the government learned about your proposal approximately at the same time the individuals proposed to make up the commission did; that is, the formation of this commission has been regarded as fait accompli. We have even heard that the individuals whom you have proposed have already agreed to be members of the new commission and that these individuals will soon start their work without waiting for a reply from the government or EZLN. The capabilities and honesty of the eight individuals mentioned in your document are certainly recognized; nevertheless, we do not know whether every one of them, as yourself, could be unbiased, impartial, and whether the proposed individuals can stand for the protagonists and represent the concerns over the peace process.

Furthermore, you report that the president of the republic has taken the following measures to stimulate the peace process.

A. To initiate immediately the installation of observation camps in the no-man's-land under the terms the undersigned proposed to EZLN on 26 September 1994.

B. To establish an information and analysis commission to watch over the cease-fire. This commission is mainly composed by members of the CNDH [National Human Rights Commission] and the office of the commissioner, who would have the functions I mentioned in my 13 October 1994 communique

C. To incorporate an executive official for peace into the working team of the commissioner for peace and reconciliation in Chiapas so as to reinforce the unity of decision in accomplishing political and social strategies the government has been implementing.

D. To permanently appoint in the checkpoints of the Mexican Army a representative of the public organizations for the protection and defense of human rights so the members of the Armed Forces will cease being accused of undocumented violations and abuses. We have stimulated the creation of observation posts and the appointment of human rights representatives in Army checkpoints, because we trust the Mexican Army's discipline and patriotism.

E. The creation of the Peace Commission and the working methods of the peace commissioner in Chiapas will experience the necessary adjustments to efficiently respond to the subject variety in the dialogue agenda. Concerning the procedures, the concept of speaking with deeds and creating conditions for the dialogue has been scrupulously observed by the commissioner throughout his term. This document is proof of this point, but our proposal to talk directly with the EZLN delegates has been unsuccessful so far. Had these talks succeeded, we are certain progress would have been achieved on the road to understanding and to prevent the present situation. [end recording]

Defense Secretariat Denies Troop Movements in EZLN Area

PA1910211994 Mexico City NOTIMEX in Spanish 2059 GMT 18 Oct 94

[FBIS Translated Text] Mexico City, 18 Oct (NOTIMEX)—Mexico's Defense Secretariat denied today any movements of troops in the southeastern state of Chiapas, where the Zapatist National Liberation Army (EZLN) has been operating since early this year. "The Mexican Army and Air Force have complied since 12 January with the president's order of a cease-fire," the Defense Secretariat says in a communique released in this capital.

The Defense Secretariat denied increasing the number of troops and any troop movements other than those corresponding to "relief to provide rest to the troops and logistical operations linked to supply, maintenance, and medical attention." The Army and the Air Force will continue complying with the orders of President Carlos Salinas and will maintain cautious conduct within the

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guidelines of military discipline to reach a peaceful solution to the conflict, the message points out.

Last 1 January, the EZLN occupied several towns in Chiapas to demand claims by Indians. Following the government's unilateral decision to decree a cease-fire, the EZLN took part in a first round of negotiations at the beginning of March.

In a communique released on 10 October, the EZLN broke off the dialogue it had begun with the government eight months ago because it believed that there was neither the real will nor the conditions needed to reach a peaceful solution to the conflict. According to that communique, Mexican Army troops "stationed in the municipal county towns of Ocosingo, Altamirano, and Las Margaritas were obviously preparing to fight." Meanwhile, rumors of an eventual attack were spreading among the troops.

The day before, Samuel Ruiz, bishop of San Cristobal de las Casas and mediator in the conflict, said that a new dialogue between the parties must take place through the return of members of the Mexican Army and the EZLN to the positions agreed upon in March. The dialogue must also have the guarantee that once the new president takes office in December, the current cease-fire will not change and commitments made in the negotiations will be honored, Ruiz added. There should also be express willingness by the parties involved to continue with the cease-fire, Ruiz noted in a news conference. But media reports indicating that members of the Mexican Army entered EZLN-controlled areas "should be confirmed." "What are the chances for war and what would the future then become?" Ruiz added. In his message, he said that no one wants a war. Therefore, the new proposal to begin dialogue gains greater significance in preventing the spread of violence, which would be "a point of no return."

After the EZLN made the unilateral decision to break off negotiations, Jorge Madrazo, commissioner for peace and reconciliation in Chiapas, proposed the creation of a Verification Commission. Several organizations will participate in this commission. The commission would assign observers in the area known as no man's land, located between the last Army checkpoint and the first EZLN checkpoint in Chiapas.

According to Ruiz, both the Mexican Army and the EZLN have made military movements that have prompted changes in the positions they had agreed to keep since last 23 March. This is why the first condition for resuming dialogue is that members of both the Army and the EZLN return to the positions agreed upon at the beginning of negotiations. Another requirement for dialogue is the need for the EZLN to express its willingness to talk, "because the Mexican Government has said that it is willing to continue it," Ruiz pointed out.

Impediment to Democratization Seen

95CA0002A Mexico City REFORMA in Spanish 22 Sep 94 p 7A

[Commentary by Lorenzo Meyer, Colegio de Mexico historian and international relations specialist: "The Value of Inexperience"]

[Text] There are times when inexperience can be a virtue. The poet Leon Felipe saw this very clearly, and he put it this way: "Not knowing a task, we perform it with respect. To bury the dead as we should, anyone would do, anyone...except a gravedigger." There are times when to practice politics, good politics, anyone would do, anyone...except a professional politician. As we will recall, one of the slogans of the PRI presidential candidate in the recently concluded campaign was: "He knows how to get things done" or something like that. The person who suggested it assumed that the Mexican public would think highly of Ernesto Zedillo's experience as a politician and bureaucrat in places like Ficorca [Trust for the Coverage of Currency Exchange Risks] or the secretariats of planning and budget and public education, for example. But, and this question embodies a hypothesis, does lengthy experience in the machinery of Mexico's government help or hinder someone who says that his main task is to build the Mexican system of government of the 21st century: a modern, democratic, honorable, and just system?

As a response to the question I propose here and now that there are many cases in which a person with a curriculum vitae full of activities in a government that is the hub of a regime marked by a party of the State can and must be regarded as an insurmountable obstacle to certain major tasks. Such experience is not an obstacle, of course, to the personal interests and career of the individual who has built up this track record; rather, it is an obstacle to the general interest of an underdeveloped, polarized country that has been shouldering the millstone of authoritarianism for centuries and that supposedly needs to enter the 21st century free of its long history of corruption and antidemocracy so that it can establish a modern-day rule of law.

The problem that we face today in Mexico is clear: those who have been educated in and have absorbed the dominant methods of practicing politics while serving in the government and the party of the State are perhaps least well suited to lead us into a collective future in which we can overcome the backwardness from which we suffer in this regard. Mexico's current political elite (the current and future president, the members of the cabinet, the governors, the entire ruling-party group in the federal and state congresses, the "Atlacomulco Group," etc.) have vast experience in antidemocratic, hereditary, premodern government. It was precisely such experience that enabled them to reach the high-level administrative and political posts that they have monopolized today. Yet it is just that kind of experience that must not continue because today it represents the main

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obstacle to such major and urgent tasks as detaching the ruling party from the government. Under such conditions, it is highly unlikely, not to say impossible, that those who "know how to get things done" can be the architects of the much promised yet never accomplished transition to democracy.

We do not have to go very far to find an example to support my argument. We need only consider how the future members of the PRI majority in the Senate, the Chamber of Deputies, and the Federal District Assembly of Representatives were told last week how they are to exercise their "right to elect" their future leaders. Against the backdrop of Zedillo's concept of "the new democratic culture" and the victorious presidential candidate's so-called "unshakable commitment" to build a respectful relationship with the Legislature, the press told us something that we already know all about: how "Soviet-style" unanimity was achieved among the future legislators so that they would immediately accept as their leaders, with no debate whatsoever, the people whom Ernesto Zedillo had decided on in advance: Jose Francisco Ruiz Massieu, Fernando Ortiz Arana, and Manuel Jimenez Guzman. When this reporter asked why the tradition was being maintained in spite of the promise of change, one of the future lawmakers, who preferred to remain anonymous, replied: "Do you think that anyone is going to say no to Zedillo?" (LA JORNADA, 14 September).

The new lawmaker was right. They cannot say no to the victorious presidential candidate, for one simple and obvious reason: they would hardly have become deputies and senators to be if they had had to rely on their own merits and popularity. If they eventually occupy the seats that they have been promised, it will be because the big machine of the party-government won them, not because they have their own social base. With the "experience" that they already have and that which they will gain, the members of the new Legislative Branch are the people least suited to carry out the political reform that the country needs.

Now then, let us consider an opposing example, one that will enable us to gauge how well-known figures "without experience," that is to say, who have not absorbed the antivalues inherent in politics "Mexican style," behave in critical situations. Normally it is difficult to find such examples in an authoritarian system, but fortunately the special circumstances in which we have found ourselves since 1 January have created several opportunities for "nonprofessionals," for those who do not have the baggage of typical PRI experience. One of these cases involves the six citizen counselors whom the third political reform of the six-year presidential term, spurred by the emergence of the Zapatist National Liberation Army, placed on the general council of the Federal Electoral Institute (IFE); they are the dominant group at the institute's top echelon.

As we know, five of the six citizen counselors have had careers outside government, and it was precisely for this reason that the parties nominated, supported, and accepted them at a particularly delicate time for the IFE and the country. Of the five, one is a journalist (Miguel Angel Granados Chapa); two are professors and researchers at UNAM [National Autonomous University of Mexico] (Jose Woldenberg and Ricardo Pozas), and the other two are well-known attorneys with their own practices (Santiago Creel and Jose Agustin Ortiz Pinchetti). While not being politicians, the citizen counselors have engaged in politics, the good kind, openly and based on principles. Recently, three of them, Granados Chapa, Ortiz Pinchetti, and Santiago Creel, were in the limelight because they did something that is not usually done in Mexico; they publicly disagreed with the position taken by the interior secretary and the chairman of the IFE general council in a 12 September speech. In this speech the secretary argued that the electoral process was clean, even though it is not yet over (the Federal Electoral Tribunal has yet to rule on the many complaints that have been lodged with it); he also poohpoohed the objections that the PRD [Party of the Democratic Revolution] raised about the voter register and the electoral process itself, describing such objections as absurd and groundless. The three counselors calmly but forthrightly criticized in public what the interior secretary had said as being inopportune both for procedural and political reasons, inasmuch as the PRD had just come out in favor of a national dialogue on a new and necessary political reform. In a system lacking checks and balances on the Executive Branch, the action of the three citizen counselors is a long awaited and extraordinarily necessary breakthrough.

Another example of good, independent politics by nonprofessionals that serves the national interest is furnished by the leaders and the thousands of supporters of Civic Alliance for Oversight 1994. On Monday the 19th, Sergio Aguayo, Rogelio Gomez, Enrique Calderon, and Daniel Cazes, representing this nongovernment organization, submitted its long awaited report on the caliber of the 21 August election. Civic Alliance's judgment was based on the answers to a 62-item questionnaire filled out by 1,810 volunteer observers who spent the entire election day at preselected voting booths. The result is a very concise document (18 pages) that contrasts with the interior secretary's speech on the same issue (the document can be found in the 18 September issue of LA JORNADA). According to Civic Alliance, the 21 August election was marked by a pattern of minor fraud that while not casting doubt on the result of the presidential election, does influence the balance of electoral power among nationwide parties and does distort representation in the next Congress "by giving the appearance that the ruling party is predominant." Most of the irregularities took place in rural Mexico, mainly in the south, precisely where poverty and marginalization are concentrated.

On the basis of its statistical findings, Civic Alliance concludes: "The entire election cannot be discredited

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outright, nor however can we accept the self-congratulatory attitude that this election was a model of transparency and honesty."

In summary, one of the most promising forms of politics these days is being practiced by nonprofessionals, by individuals who, in keeping with the distinction that Max Weber made, live more for politics than off it. The positive results of the work by the citizen counselors or by Civic Action stem from a combination of intelligence, know-how, adherence to principles, passion for democracy...and a lack of "experience" in the world of professional politicians, a world dominated by a wide variety of dinosaurs.

I will end this article as I began it, with a quote from Leon Felipe, with more words of praise for nonprofessionals: "One day we all know how to do justice. Sancho the squire and the peasant Pedro Crespo did it as well as the Hebrew king." One day we should all be able to engage in politics, not just the professionals. We would surely not do a worse job, and almost surely we would do a better one.

PRD Official Discusses Ruiz Massieu Assassination

94CA0003A Mexico City PROCESO in Spanish No. 935, 3 Oct 94 pp 30-31

[Report on interview with Heberto Castillo, member of the Party of the Democratic Revolution's National Council, PRD, by Geraldo Albarran de Alba; date and place not given]

[FBIS Translated Text] A crime by the State: "The assassination of Jose Francisco Ruiz Massieu is a call to arms: no to dialogue, no to consensus-building. Economic power is what calls the shots here. A handful of people have the money, and politics is not about people; it is about money. Power is bought. This is an attempt to return to Mexico's most barbarous period, but with modern methods," says Heberto Castillo, who describes Carlos Salinas' six-year term as the most violent period that he has ever lived through.

He feels that the assassinations of Posadas, Colosio, and Ruiz Massieu "are not unrelated," venturing this opinion:

"The culprits in these assassinations should be sought among those who will be hurt if there is democracy in Mexico. The first would be this country's big capitalists."

The most serious thing of all, he says, is impunity, not the crimes. "What obligations does Salinas have in granting impunity to Colosio's killers and in seemingly granting it to Ruiz Massieu's killers as well?"

Heberto Castillo says that he has a vivid memory of "the state of helplessness, of powerlessness that I saw in Diana Laura Riojas de Colosio. A woman whose face screamed indignation, perhaps not at the murderer but rather at the people who were protecting him with their silence. This time, Ruiz Massieu's wife embraced me, weeping. I saw the same thing."

Ruiz Massieu's death interrupted the first contacts between the PRD [Party of the Democratic Revolution] and the official leadership of PRI in their attempt at a dialogue for in-depth political reform. In this regard, Castillo underscores, there are too many similarities between the assassinations of Colosio and the PRI secretary general.

Just as when Colosio was killed, all of the progress has been undone, he laments. "Whoever replaces Ruiz Massieu will do things with a different outlook, because the aim of this assassination was to threaten people for what they were doing, to get rid of those who were doing it, or to sow widespread terror and impose a hard line. They want to prevent all the scandals, all the demonstrations, all the masked men in Chiapas, all this tolerance, all these compromises, all this concession-making. They have the power, they have the money, they have the army; these murders show that they intend to use them."

A leader of the student movement in 1968, a political prisoner, and a long-time combatant who had to hide in General Lazaro Cardenas's house while being persecuted, Heberto Castillo compares eras:

"The worst time of my life was when the common prisoners overran us at Lecumberri. I was trapped in a cell, against a wall, and the bullets were whizzing by my head, ricocheting off the walls, and falling flattened to the ground. I thought to myself: 'If I stand up, they'll kill me. There's nothing I can do.' I feel the same way now as then."

"I am free now, but I feel just as powerless in the face of the crisis in the country, not knowing whether the government is involved or not, but seeing it cover up for those who are murdering its most prominent people, a government that shields the people who kill the most combative opposition party's activists, a government that is systematically handing over the country's resources to foreigners.

"I would say that I have never lived through violent times as terrible as the ones that we are seeing today. Hey, you don't know what the next news bulletin is going to be. The unexpected could happen in a matter of minutes."

Physical or political elimination has been the mark of this six-year term. An obvious example, Heberto Castillo says, is Fernando Gutierrez Barrios, the former interior secretary, "whom they eliminated because he did not live up to his background as a policeman and did not use a heavy hand. He was someone who I felt was not given to overt repression; so they called in Patrocinio Gonzalez Garrido, who had taken a very violent approach in Chiapas."

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The founder of the Mexican Workers Party (PMT) and former leader of the Mexican Socialist Party links the assassinations of Cardinal Juan Jesus Posadas Ocampo, Luis Donaldo Colosio, and Jose Francisco Ruiz Massieu.

"The reasons for the murders of the PRI people were similar: the separation of PRI and the government and the political negotiations with the opposition," he notes.

"He Was a PRI Man"

Heberto Castillo met Ruiz Massieu when the latter was governor of Guerrero, but "my dealings with him were rather superficial." He remembers, though, that Ruiz Massieu told him once: "You people think that there is resistance to the dialogue with us only in the PRD. No, some people in PRI do not want it either."

When Castillo, an engineer by training, was building bridges in Guerrero, Governor Ruiz Massieu invited him to dinner. "And he said to me that I might not believe what he was going to tell me, but that he was very enthusiastic because there was going to be a reform of the party in several stages, that it was going to separate from the government...I have heard a lot of talk, but I could see that he was very enthusiastic about what he was doing."

As a national leader of PRI, Ruiz Massieu showed openness.

"A couple of days before the assassination we staged a march to claim victory in Jaltipan and Minatitlan, south of Veracruz, and he got involved to bring in the evidence to have the cases reviewed. One had already been settled in Michoacan, and another was about to be in Tamaulipas."

Heberto explains:

"The case of Ruiz Massieu, in his dual role as governor and negotiator, is like that of Gutierrez Barrios, who was a big crackdown man, the one who most persecuted the left, the one who had the biggest police file. But when they made him interior secretary so that he could be an attack dog, he wanted to be president of the republic and became the sweetest man alive, the one who did not want to touch anybody, who wanted to negotiate everything, who wanted to show that he cracked down just for national-security reasons.

"This happens among politicians whose basic ambition is power, and that was Ruiz Massieu's ambition, as he must have been thinking about the presidency in the year 2000, and for that reason he had to negotiate and give in while still maintaining control.

"I don't think that Ruiz Massieu was a consensus-builder as governor. No. He cracked down...He was a PRI man and he marched to the tune they played for him, but this time PRI was engaged in a process of opening up, and it fell to him to do the job, and that's why they killed him."

Sitting under his engineer's diploma in an armchair in his office, surrounded by his own paintings (a hobby he got into in Lecumberri Prison), Castillo reflects:

"The assassination of Ruiz Massieu is a call to arms: no to dialogue, no to consensus-building. Economic power is what calls the shots here. A handful of people have the money, and politics is not about people; it is about money. Power is bought. This is an attempt to return to Mexico's most barbarous period, but with modern methods."

The Dark Side of Power

"Wasn't the PNR [National Revolutionary Party], the uncle of PRI, created to prevent further killing?"

"They are going back to their roots. Calles' argument in creating the PNR was that he who lives by the sword dies by the sword, as happened to Obregon. Calles wanted to create a party that had room for everyone, but there is no longer room for everyone because power is concentrated in 500 or 1,000 families that are upset about their narrowed maneuvering room. These big wheels are very protective of their spheres of power.

"They have returned to the path of violence, and Fidel Velazquez has brazenly said so: We are not going to give up the power that we won through armed force, even though he himself never heard a single shot fired. That is the idea. And the party that was founded to put an end to the killing has wound up seeing its own people kill each other, the people who realize that they cannot survive as a party unless they open up and those who refuse to, the most callous ones, the ones who are furthest removed from social problems."

"In your opinion, Mr. Castillo, who are the hard-liners in PRI, the ones who are against change?"

"There are a lot of them...I would even find it hard now to name the ones who are tolerant. I see no people with the political skills for negotiations on Zedillo's team; I don't even know if he has one, aside from the technocrats, who are unconcerned about social problems."

But he then notes:

"The man who succeeded Ruiz Massieu in Guerrero, Ruben Figueroa Alcocer, who inherited everything from his father; Manuel Bartlett Diaz, the former interior secretary and today governor of Puebla; Patricio Chirinos, the governor of Veracruz, who is very stubborn; the consummate election-rigger Cesar Augusto Santiago; Pedro Ojeda Paullada, who is intolerant; Gustavo Carvajal Moreno, who is running for senator; Arsenio Farell Cubillas, an old, old man who is nevertheless on the repressive national security commission; Carlos Hank Gonzalez and his people, who are very harsh and linked to the big financial interests; and even Ignacio Pichardo Pagaza, the chairman of PRI's National Executive Committee, and Humberto Lira Mora, the secretary of electoral action, who once set an ambush for me in

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Tejupilco, and all the technocrats, who are like the doctors who see patients as anatomical figures that have to have this or that body part amputated so that they operate properly; they have few dealings with human beings because they have spent most of their time in universities, normally overseas, and know little about the country."

Among all of them, however, Heberto Castillo singles out the former presidential adviser Jose Cordoba Montoya, "although he is a mystery to me, but all of the progressive PRI people with whom I have spoken talk about him with resentment as one of the hardest-liners."

"What about links to the murders?"

"I don't know. Who ordered the assassination of Ruiz Massieu? The State set this up again. Are they going to make it look like an isolated case? It will be pinned on someone who is trying from within to open up the system. It will not be pinned on a conservative, someone who does not want to open up the system. It will be pinned on the people who are on this side, on PRD activists....

"Yes, it is a hard line. Yes, the Salinas government, even before he took office and right up to the present, has been marked by extreme violence.

"The only conclusion is that there is a hard line inside PRI that has decided not to give up power, but that hard line represents the billion-dollar interests of extremely powerful friends of Salinas, like Carlos Slim.

"This is also tied in with the problem of drug trafficking. Remember that as soon as Carlos Cabal Peniche's name came up, he was linked to the son of former President Miguel de la Madrid as part of a money-laundering scheme. And then when Rafael Caro Quintero was caught, they found large expanses of drugs that neither the defense secretary, nor the interior secretary, nor the attorney general had detected. In other words, they were active or passive accomplices.

"I think that the culprits in these assassinations should be sought among those who will be hurt if there is democracy in Mexico. The first would be this country's big capitalists, who would no longer have those huge licenses, like the ones for highways, television stations, telephones...Economic power and financial power are so intertwined that it is very difficult to separate them. Those men may have more power than any communications secretary or a finance or interior secretary."

"So who controls PRI in the wake of these assassinations?"

"In the case of Colosio, I still thought that it was an extremely wicked deed by Salinas when the candidate no longer suited him. But in the case of Ruiz Massieu, there is a close relationship and even a family attachment between them, and there were other ways to get him out of the way. It would have been very easy to replace him, compared with Colosio.

"It is obvious now that Salinas is not running PRI, or else the people who had both Colosio and Ruiz Massieu killed are very powerful inside the apparatus that has impunity, because I cannot believe that the State does not know where all of this is coming from. The serious part is that this impunity has the president with his back against the wall and that he cannot act, which means that very serious obligations exist.

"What sort of obligations does Salinas have that he cannot enforce the law against such murderers, who had already killed a presidential candidate and have now killed the secretary general of PRI and a virtual relative of the president? What sort of power do they have? Where do the conflicts lie? I, like Carlos Fuentes, wonder: Who is next? What sort of threat is hanging over Mexican society?"

Possible PRD Gains Seen in Tabasco

95CA0004A Mexico City LA JORNADA in Spanish 17 Sep 94 p 9

[Commentary by Luis Hernandez Navarro, adviser to the National Coordinating Board of Coffee Grower Organizations: "All Eyes on Tabasco"]

[FBIS Translated Text] Southwestern Mexico seems destined to become the most politically unstable area in the country. The post-electoral conflict in Chiapas and the growing class confrontation in the region have been compounded by the recent political-financial scandal revolving around the Cabal Peniche affair, the state elections to be held in Tabasco this 20 November, and the local elections in Veracruz on the 11th of that month.

All eyes are on Tabasco. The imminent collapse of Cabal Peniche is, to say the least, causing cracks in PRI's political and economic edifice in the region and is threatening to set off a crisis of unforeseeable consequences. Against this backdrop, the Tabasco PRD [Party of the Democratic Revolution], under the leadership of Lopez Obrador, seems increasingly to have real chances of winning, despite the enormous inequities in the electoral race.

The rise of the PRD in Tabasco is significant. The departure of Lopez Obrador to join Cardenism was the last significant mass breakoff within the PRI. Although other major figures such as Gonzalez Guevara left the ranks of PRI afterwards and although PRI groups in states such as Zacatecas joined the PRD during the recent local elections, the split in Tabasco had a much greater political impact and made Cardenism the number two electoral power in a state in which there did not seem to be any overt electoral opposition of significance. The 1991 local elections and the protest movements associated with the 1991 "Exodus for Democracy"—which ended on 11 January 1992—culminated in favorable negotiated solutions and the subsequent fall of the state governor. Nationally, the repercussions were far greater: whereas the PRD seemed

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to have collapsed after the federal elections of that year, the mobilization in Tabasco put it back on the national map.

At the ballot box, the PRD gained votes from 1991 to 1994, in both absolute and relative terms. In 1991, it won a little over 64,000 votes, as opposed to close to 245,500 for the PRI. In 1994, the PRD managed to win over 202,000 votes, to a little over 359,600 for the PRI. In other words, in only three years Cardenism posted an increase of over 138,000 votes in Tabasco. Despite the nationwide PAN [National Action Party] "boom" during the most recent elections, and although its senatorial candidate was a former member of PRI, the National Action Party received its lowest vote percentage in this state.

At a time when, with the exception of Michoacan, the old bastions of the PRD (Morelos, Guerrero, La Laguna) are growing weaker, and when the creation of new forces depends almost exclusively on there being an election, the party's experience in Tabasco is proving to be a consistent exception, as it has taken advantage both of elections and of the building of social movements. In addition, it has devised and implemented a strategy of regional political development around the Gulf-Southwest area (Veracruz, Chiapas, Campeche, besides Tabasco itself).

With the exception of a few small militant groups, Lopez Obrador's strength in Tabasco derives essentially from constituencies outside the traditional left. The main elements of his support include: a) an essentially indigenous social movement, built up by Lopez Obrador himself during his years as a PRI activist by organizing the most deeply felt demands of this segment of the population. His departure from PRI was directly related to the impossibility of adequately resolving these issues within an institutional framework; b) an essentially rural movement, formed by large groups of ejido members and small landowners, who were hurt by the more or less uncontrolled moves by Pemex into Tabasco, the crisis that is devastating the cocoa producers and their organization, and the serious problem of past-due loan portfolios, which is hurting small-scale ranchers; c) a civic-urban movement in municipalities struggling against local caciques who, from within PRI, impose their unpopular candidates over candidates having local roots. These forces, which originally arose within the PRI itself, found a strong PRD to be a suitable vehicle for expressing themselves. Lopez Obrador's virtue is that he gave them room in the party in which to develop and later facilitated their ideological and political conversion from democratic, citizen forces within PRI to forces with a clearly Cardenist look. And d) a wide variety of forces and movements that are motivated by religious and social considerations and that have taken the form of a network of peasant cooperatives and groups, efforts to promote peasant organization by some NGO's, and peasant and grass roots urban forces that developed out of the work by the old left.

Year after year the PRD in Tabasco has continued to take up the pending demands of broad segments of society (oil workers, fishermen, farmers) and has forced through favorable solutions. Its mobilizations into Mexico City no less bespeak its ability to create nationwide news from the provinces.

Along the way Lopez Obrador has lost some relatively minor groups that have gone off to form the Labor Party in the state. One of them is the UNTA [National Union of Agricultural Workers] (the conflict between this organization and Lopez Obrador over electoral positions was, in fact, one of the main reasons why the UNTA left the PRD), and the other is a series of small splinter groups in Cardenas.

Against the backdrop of a strategy that regards the existence of the PRD as an indisputable fact which is good for national politics and that rather than seeking to destroy it, attempts to acknowledge its victories, the upcoming election in the state is crucial. Tabasco offers this party a chance to control the sort of territory that it does not currently control. We are obviously assuming here that the party of the State will "renounce" unfair competition.

If, on the contrary, it seeks to crush the PRD nationwide by running an unfair race against it and by continuing to resort to electoral alchemy, then a long-range postelection conflict is in the offing. Forces from other states would become involved in it, as they did three years ago. The difference is that now the entire region is in ferment.

Roundup of Economic Developments

PA1910200494

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Mexico monitored through 18 October.

The Mexican auto industry production has increased during the year. More than 732,000 vehicles were built, of which more than half were exported. This is a 4.2 percent growth over the same period for 1993. According to a Commerce Secretariat study, domestic consumption increased by 13 percent, and exports saw a 17.2 percent increase. The industry exported 358,000 units to foreign markets. Industry leaders have announced plans to increase purchases to $2.8 billion in parts and materials. Investments are expected to reach $2.365 billion by the end of the year. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 17 Oct 94)

Following two difficult weeks, the Mexican stock market has regained ground and is now ranked 11th worldwide. This week's opening figures indicate that trading rose to 2,777 points. Annual figures indicate a positive balance of 175 points. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 17 Oct 94)

The Finance and Public Credit Secretariat has announced that Mexico has $17 billion to cover any

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contingency in the currency exchange market. This amount is in addition to the international reserves the country normally holds. The money comes from local sources and from loans and grants from several European countries, the United States, Canada, the International Monetary Fund, and the World Bank. (Mexico City UNOMASUNO in Spanish 17 Oct 94 p 17)

Non-petroleum exports totaled $15.165 billion during the first semester of 1994, while oil exports totaled $4.117 billion. According to information gathered by the National Association of Economists, the Bank of Mexico, the Mexican Automotive Industry Association, and the Finance and Public Credit Ministry, 36 corporations share this figure. The automotive industry and its five exporting factories took at least 61.32 percent of that total. Local corporations such as Mexican Petroleum, Aeromexico, Mexicana de Aviacion, Modelo Brewery, Televisa, The Maseca Group, and Mexican Telephone Enterprise share top overall rankings with foreign investment companies like Nestle's, Kodak, DuPont, General Motors, Chrysler and Ford Motor Co. in the total $23.119 billion export sales. (Mexico City LA JORNADA in Spanish 17 Oct 94 p 48)

Mexican Petroleum reports a drop in its reserves. Over the past 10 years, stockpiles have lost 6 billion barrels. There are a total 44.43 billion barrels on hand at present. According to a statistical report released by Pemex, natural gas reserves have also fallen. Likewise, sales income has fallen $9.5 billion from 1984's $15.5 billion. The report also states that the company has cut 72,098 positions from its payroll. Nevertheless, the report stresses that Pemex ranks sixth in the world overall, and eighth in sales. (Mexico City LA JORNADA in Spanish 17 Oct 94 pp 1, 50)

According to official sources, the country's total foreign debt rose by 41.4 percent during the Salinas administration. Currently, Mexico owes $140.311 billion, versus the $99.204 it owed in 1988. According to the Bank of Mexico and the World Bank, Mexico has paid approximately $50 billion on interests alone during that time. However, following the privatization of several state enterprises, now private industry and banks are responsible for 40.4 percent of the total debt. (Mexico City LA JORNADA in Spanish 17 Oct 94 pp 1, 50)

The Banamex-Accival Financial group, considered to be the largest of its kind in Latin America, and the U.S. MCI Communications Corporation signed an agreement to provide telecommunications services in Mexico. The new corporation is called Avantel and the contract includes investments totalling about $1.8 billion over the next six years. The consortium will install 20,000 km of fiber optic cables. Manuel Medina Mora, of the Banamex Accival Financial Group board of directors, said that "the agreement confirms the confidence there is in the excellent perspective Mexico's economic development offers." (Mexico City NOTIMEX in Spanish 2100 GMT 17 Oct 94)

In a Mexico City datelined item on 17 October, Pemex announced that it has placed $205 million in outstanding Samurai Bonds on the Japanese market, which will produce a fixed 5.15 percent interest. This is the largest investment the corporation has made on this market to date. The placing was possible only after the Japanese Credit Rating Agency granted the company its triple-B rating. This brings Pemex total investments on international money markets to $1.05 billion. (Hamburg DPA in Spanish 0002 GMT 18 Oct 94)

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El Salvador

ARENA Politician To Sue U.S. Justice Department

PA1910161494 San Salvador Canal Doce Television in Spanish 0100 GMT 19 Oct 94

[FBIS Translated Text] Napoleon De Jesus Melendez, National Republican Alliance [ARENA] alternate deputy for San Miguel Department, will sue U.S. immigration authorities for the alleged mistreatment his son received upon his legal entry into that country.

Professor Napoleon Melendez, who is also director of the Teacher's Welfare Fund, said he would act based on a legislative decree that authorizes family members to obtain a diplomatic passport. This is how his son Mario Humberto Melendez Cali obtained a diplomatic passport and afterward a U.S. visa. However, upon his arrival in the United States, he was subjected to an interrogation by U.S. immigration authorites, which was a violation of his rights and the diplomatic priviledges he enjoyed.

[Begin Melendez recording] I am filing a complaint against U.S authorities and against the Immigration and Naturalization Service of the U.S. Justice Department for my son's deportation, which was illegal. He was traveling with this diplomatic passport, which contained a legal U.S. visa. He was brutally tied by his hands and feet. [end recording]

For the ARENA alternate deputy it is not strange that these cases occur. He says that U.S. citizens are against the presence of Latin Americans in the United States. Faced with this situation, he plans to file a lawsuit against U.S. immigration authorities.

[Being Melendez recording] I am forwarding documents to a lawyer in the United States to review my son's case so that something may be done about it. There have been so many violations. Even if other people are afraid to denounce these acts, I am not and will denounce them here and anywhere else. [end recording]

This is the first time a lawsuit of this type is being filed in which a Salvadoran feels offended by U.S. immigration authorites.

FMLN's Villalobos Charged With Defamation

PA1910192994 San Salvador Canal Doce Television in Spanish 0100 GMT 19 Oct 94

[From the "Up to Date" newscast]

[FBIS Translated Text] Joaquin Villalobos, the controversial former guerrilla commander, kept his word and surrendered to the authorities, which had issued a warrant for his arrest on charges of defaming businessman Orlando De Zola, whom he accused of financing the death squads. Villalobos is being held at the National Police Central Headquarters.

[Begin recording] [Unidentified correspondent] This was the atmosphere on Tuesday [18 October] when ERP [Peoples Revitalizing Expression] leader Joaquin Villalobos surrendered to the Eighth Penal judge, who last week issued an arrest warrant against the FMLN [Farabundo Marti National Liberation Front] leader after the Second Penal Court issued a resolution saying that he had defamed Orlando De Zola.

Villalobos, accompanied by his attorney, met for a few minutes with the judge and, in accordance with procedure, gave testimony. Afterward, the leftist leader told reporters that he went before the judge in accordance with the law and the pledge that he had made.

[Villalobos] In defense of the people's interests, I have taken a step at this time that will be a test for our country's judicial system. I hope it will serve future generations so that in this country, all men will, in fact, be equal before the law; I also hope it will end the practice by which a man who has many millions or is one of the 14 [not further specified], can send a humble Salvadoran to jail.

[Correspondent] Villalobos also said he will not recant what he said in November, because, in his opinion, it was the truth.

After giving testimony before the Eighth Penal judge and maintaining his accusations against businessman Orlando De Zola, Villalobos was transferred to a National Police facility. [end recording]

Subsequently, with regard to the case, the director of the National Police said that his organization will base its actions on the judge's requests.

[Begin director recording] I must say it is our responsibility and duty as a [word indistinct] body of justice to safeguard the physical integrity and human rights of, in this case, Mr. Joaquin Villalobos. [end recording]

Dolores Cuellar also explained that Villalobos will not receive preferential treatment; he will be held in a cell like any other detainee for 72 hours or, in other words, the so-called (?inquiry) period. It has also been disclosed that his defense attorneys have filed a petition for a habeas corpus at the Supreme Court of Justice, which will be answered within the next few days.

This is the first defamation case to receive this much attention, and many people feel that the judicial system has turned it into a political show.

Guatemala

URNG, Government Peace Talks To Resume 21 Oct

PA2010020494 Mexico City NOTIMEX in Spanish 0035 GMT 20 Oct 94

[FBIS Translated Text] Mexico City, 19 Oct (NOTIMEX)—The Mexican Foreign Secretariat disclosed today that the

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Guatemalan Government and guerrillas will resume peace talks in Mexico City with a three-day meeting that will begin on Friday [21 October] , one day later than originally scheduled.

The Secretariat reported in a communique that the process will continue at the Valle de Bravo tourist center in Mexico State, approximately 100 km east of the Mexican capital.

In the talks, representatives of the Ramiro De Leon Carpio administration and the Guatemalan National Revolutionary Unity (URNG) will discuss the topic "Identity and Rights of the Indigenous People," a basic point of discussion.

The dialogue will be held Friday through Monday with the mediation of the United Nations, the Mexican Foreign Secretariat reported. Meanwhile, the government and the guerrillas did not reveal the reasons for the delay.

The communique added: Mexican State authorities "have given all their support to the holding of this important event."

The Guatemalan Government's negotiating team, headed by Hector Rosada, arrived in Mexico City today to participate in the resumption of the peace dialogue begun in April 1991 in an effort to end the 34-year old armed conflict.

Honduras

Culture Minister: Remarks on Cuba 'Misunderstood'

PA1910202094 Tegucigalpa LA TRIBUNA in Spanish 19 Oct 94

[FBIS Translated Text] Culture and Tourism Minister Rodolfo Pastor Fasquelle explained yesterday upon his return to Honduras that a wire service had made a mistake in reporting that Honduras and Cuba announced their virtual willingness to establish diplomatic ties. "They misunderstood the statements I made in Havana. I said that at present there is no justification for the peoples and cultures of Honduras and Cuba to be separated," the official stated at Toncontin International Airport.

He explained the establishment of diplomatic relations between the two countries is a task that falls within the purview of the Foreign Ministry, and a culture minister cannot perform it. Pastor Fasquelle affirmed that Cuba is a cultural power in the region and that the only country that comes close to it is Mexico. The culture ministers of Honduras and Cuba signed a joint declaration for the purpose of exchanging books and settting up book exhibits, probably in December. "I went to request assistance. We also talked about cultural cooperation," he added.

He sees Cuba as the place of opportunity, because it has an economy that will take off, after its current problems are resolved, because of its very high level of development. Pastor Fasquelle recalled that during the government of Rafael Leonardo Callejas, many officials traveled to Cuba seeking differnt kinds of assistance.

Panama

Foreign Minister Willing To Offer Castro Asylum

PA1910231294 Panama City LA PRENSA in Spanish 18 Oct 94 p 1A

[Report by Vilma E. Figueroa B.]

[FBIS Translated Text] Foreign Minister Gabriel Lewis Galindo last night told the Legislative Assembly plenum that Panama is willing to offer Fidel Castro asylum if by doing so a peaceful solution is found to the serious political situation that Cuba is facing with massive exodus of the rafters.

Lewis Galindo made these statements when he appeared before the Legislative Assembly to explain that General Raoul Cedras, the former Haitian dictator, had been granted asylum in fulfillment of international agreements and to allow the return to power of the constitutional president, Jean Bertrand Aristide, ousted by the military in 1991.

In the midst of questions aimed at learning the real reason that motivated Ernesto Perez Balladares' government to grant Cedras asylum, Deputy Aris de Icaza's asked if the same condition applied to the Cuban case.

After pointing out, "here, we are friends of everyone," the minister reiterated that if Panama could offer a democratic solution to Cuba, then "welcome Fidel Castro."

In yesterday's session the foreign minister said that Cedras' asylum was not requested by U.S. President Bill Clinton but by OAS Secretary General Cesar Gaviria, who presented the request to Panama.

In response to Legislator Ruben Arosemena's question whether there was an agreement with the United States to grant Cedras asylum, the minister replied that if the decision benefits Panama economically, then "it is welcomed."

Accompanied by Panama's ambassadors abroad, Presidency Minister Raul Arango, and his team of advisers, Lewis Galindo categorically states that only seven indivduals have been granted asylum. Among these, besides Cedras, is also Philippe Biamby, a military officer, and his family.

"This does not mean solidarity with the actions of those granted asylum; it does not imply support nor does it approve their actions," the foreign minister noted. Lewis Galindo added that asylum was granted based on international agreements and to contribute to return peace to the Haitian people.

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After the session, some opposition legislators expressed their discontent over the manner in which the debate was carried out, and they insisted that there is something hidden in the Cedras case.

In the opinion of these legislators their PRD [Democratic Revolutionary Party] colleagues united to prevent the holding of a permanent session that would have allowed all the legislators to pose their questions to Lewis Galindo.

The permanent session was rejected by 27 votes in favor, 37 against, and no abstentions.

In addition, Lewis Galindo said that he would have preferred to see the Haitian general exiled to some other nation, while he explained that "it was the principals themselves who requested to come to Panama."

He recalled that other nations such as Argentina or Spain had offered Cedras a "way out." Even Salvadoran President Calderon Sol did so, "but the general refused," insisting he would only leave Haiti to go to Panama, the foreign minister added.

He explained that Cedras' asylum was granted after all the conditions set by Panamanian President Ernesto Perez Balladares, which he discussed with President Bill Clinton, were met.

The main condition was the letter sent to Perez Balladares by Jean-Bertrand Aristide, Haiti's constitutional president, who asked that the coupist general be accepted so that he (Aristide) could return and recover democracy on the Caribbean island.

He acknowledged that given the urgency to find a solution to the matter, "constant pressure" was received "from the OAS General Secretariat," as Aristide refused to return to Haiti if Cedras did not leave the nation.

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Argentina

'Strong Evidence' of Iranian Involvement in AMIA Bombing

PY1910183094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2020 GMT 18 Oct 94

[FBIS Translated Text] Buenos Aires, 18 Oct (NA)—Federal Judge Juan Jose Galeano has said there is increasingly strong evidence that Iranian diplomats were responsible for the attack on the AMIA [Argentine-Israeli Mutual Association] three months ago.

Galeano said: "All the evidence I have gathered is gradually confirming the original theory that it was a terrorist attack of fundamentalist nature executed by the Iranian diplomats already mentioned" during the investigation.

The judge bases the accusation against six Iranian diplomats on statements by "repentant" Manoucher Moatamer, who fled Iran where he allegedly held a high-ranking government position and who is under the protection of the United Nations High Commissioner for Refugees (UNHCR).

A Buenos Aires morning newspaper published Galeano's remarks. He said he would like to question Moatamer again—Galeano questioned him in Venezuela a few days after the attack—but added that he cannot do so because he does not know where he is.

"I have asked the Foreign Ministry to tell me where he is, but I have not received any answer yet. I also asked the UNHCR, which is responsible for his security," Galeano said about Moatamer, who was in Ecuador only a month ago and who could now be hiding in the United States.

Galeano said: "I want to know exactly what happened. I want to produce a full explanation about the attack. I expect to have something soon, but I cannot say when. I cannot say if I am optimistic or pessimistic" about the results.

Menem Urges Justicialist Party To Look to Future

PY1910200794 Buenos Aires BUENOS AIRES HERALD in English 18 Oct 94 p 2

[FBIS Transcribed Excerpt] (DYN)—President Carlos Menem urged the Justicialist Party to look to the future as Peronists marked Peronist Loyalty Day, the anniversary of General Juan Domingo Peron's rescue from prison.

Standing between portraits of Peron and his wife, Eva, at the party's headquarters Menem slammed "those who are continuously looking back—we can't go on speaking the same (political language) as in 1945."

Peronist Loyalty Day recalls the day party founder and then-Army Colonel Peron was rescued by a crowd from prison on Martin Garcia Island in the River Plate. Menem said his administration was "what Peron wanted, and we're carrying it out no matter how it may hurt a few."

Menem grasped the opportunity to update his own slogan, "we're badly off but doing better," to now say that "we're fine and doing better."

In response, Mendoza Senator Jose Octavio Bordon's PAIS [Country] Party yesterday called on Argentines to "rally to put an end to the Menemist abandonment of party principles as well as government mismanagement."

Menem also dismissed his opponents in next May's presidential race. He predicted he would win in the first round with 45 percent of the vote despite his five years in office "if their errors continue."

Interior Minister Carlos Ruckauf did not conceal his aspirations to become Menem's running mate in 1995. He said Menem has already selected his partner but would not disclose the individual's name before February. Argentine Ambassador to France Italo Luder meanwhile denied he had been invited to accompany Menem in 1995.

A national opinion survey of 10,000 voters by Julio Aurelio and published by the daily LA NACION said Menem could win the May 14 national election by a margin wide enough to avert a runoff. If undecided voters are split among the candidates proportionally Menem could win with a 43.5 percent, while Frente Grande [Grand Front] would get 23 percent—and become the No. 2 force nationwide—followed by the Radical Party with 18.9 percent. [passage omitted]

Deadlock in Chamber of Deputies Examined

PY2010022294 Buenos Aires LA PRENSA in Spanish 18 Oct 94 p 9

[Article by Sergio Crivelli]

[FBIS Translated Text] Last week the Chamber of Deputies failed to pass the Check Law for the third time. For nearly a month the house has been systematically left without a quorum. House Leaders are forced to call for a recess when the Radicals [Radical Civic Union, UCR] and the Grand Front walk out. Both opposition blocs have been walking out to protest the Peronists' [Justicialist Party, PJ] categorical refusal to discuss a bill increasing minimum retirement compensation to 294 pesos.

PJ bloc leader Jorge Matzkin has made a careful analysis of the situation. He said that the Radicals "act like spoiled children who are denied a piece of candy." Such a simplification of the affair, to put it one way, sidesteps the central aspect of the problem that is keeping the house paralyzed and underlines once more the congressional strategy of not allowing a quorum. Criticism of this practice is often based on disinformation, ignorance,

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or the political designs that are normal for leaders, legislators, and some of the "means of social communication."

An Absurd Controversy

The controversy around the refusal to allow the house a quorum is absurd. It is the last resort of congressional opposition groups when they do not have the force to beat the ruling party bloc.

We must characterize this practice as an indication of the helplessness of the ruling as well as the opposition party. The latter is more numerous and anarchical, and has chosen a negative tactic. The ruling party bloc, in turn, cannot defend government policies because of their lack of appeal. When their own members fail them the PJ is at the mercy of smaller blocs, and is forced to make concessions and turn upside down politically.

In view of this situation the PJ tries to call the attention of the public by using really ingenious remarks such as the one used by Matzkin. But the tactic will hardly bring the Radicals and Grand Front back to their seats.

Beyond the regulations, to allow the house a quorum means, in political terms, to say amen to government positions. In this context Matzkin surely remembers when Jose Luis Manzano, his predecessor and teacher, refused to allow a quorum to the house controlled by the Radical administration. But contrary to what happens today, then house chairman Cesar Jaroslavsky, of the ruling party bloc, frankly admitted that allowing a quorum in the house represented supporting the government and passively permitting the approval of executive branch bills. With his very peculiar style the legislator from Entre Rios used to call this practice, avoiding any euphemism, voting with one's ass instead of by raising one's hand.

The Institutional Problem

Beyond the political reasons for supporting it, the practice of not allowing a quorum is, without a doubt, negative. Congress has a fair to bad image already, and its operational problems do not contribute to improving it. Besides, the repeated failures of the house indirectly strengthens the presidential system, an institutional distortion that developed fully during this administration and which in practice nullifies the three-branch system of administration.

How can the Chamber of Deputies break the current deadlock? The solution to the problem does not seem politically simple. The PJ must carry out a gigantic effort to gather between 115 and 120 legislators, and also get the help of the provincial bloc—which is not an homogeneous bloc either—to obtain the needed quorum. It is clear that Carlos Menem is not Domingo Peron, and that the traditional PJ verticalism is more a myth than a political reality, at least at the congressional level.

The situation confronting the Radicals is even more serious. The anarchy prevailing at the party level is reflected at the congressional level, which must also bear the burden of the Olivos pact [between the PJ and the UCR, on constitutional reform]. Today UCR representatives are at the mercy of events and can only adopt passive strategies. Meanwhile, the initiative remains in government hands.

Trial of the Court

We received proof of the ruling party's prominence last week, when the PJ signed a resolution rejecting the political trial of the Supreme Court due to the disappearance of a ruling against the state for the payment of a lawyer's professional fees. When the time for the vote arrived, the UCR had a single representative on the commission: Angel d'Ambrosio. In this situation the ruling party position, supported by Progressive Democrat Alberto Natale, won the day without any problem.

This voting put an end—only the debate in the plenum remains—to an unheard of case in Supreme Court history. The decision that forced the Central Bank to pay a sum of nearly $180,000 was questioned by the Economy Ministry. Economy Minister Domingo Cavallo argued that if the Supreme Court decision were applied everywhere, state expenditures would grow to the point of risking the reserves, and as a consequence the peso-dollar convertibility monetary system.

The decision against the Central Bank disappeared from the Rulings Book. When two judges appointed during the previous administrations denounced the "disappearance," the judges appointed by this administration reversed the decision. A Chamber of Deputies inquiry could not establish how the first ruling could have "disappeared." Despite the fact that all fingers pointed at Guillermo Lozano, secretary to then court President Antonio Boggiano, nothing could be found out.

The PJ argued, in defense of the justices, that they were not responsible for what happened, and that the investigation should be limited to lower-level employees. According to this viewpoint, the delicate institutional question should be reduced to an administrative problem, and the search for the person responsible should be limited to lower-level employees.

The Radicals could not successfully counter this weak PJ position, and will lose the vote in the plenum. The only thing they have left is the possibility of a modest political scandal during the debate, because the attempt to bring the court to a political trial seems to have failed.

Jorge Maiorano Assumes Office as Ombudsman

PY1910194894 Buenos Aires BUENOS AIRES HERALD in English 18 Oct 94 p 1

[FBIS Transcribed Text] (DYN-NA)—Former Justice Minister Jorge Maiorano was sworn in yesterday as Argentina's first national ombudsman before the two houses of Congress.

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Maiorano's position was created under the recent reform of the country's Constitution. Senate Provisional President Eduardo Menem (Peronist-La Rioja) and the Lower House Speaker Alberto Pierri (Peronist-Buenos Aires) administered the oath of office.

Among the new ombudsman's functions include the protection of human and other constitutional rights and guarantees as well as the defence of the law in cases of abuse of public administration powers.

The protection of consumers' rights and the environment have been placed in his hands too. Maiorano's office will enjoy legislative immunity as well as total independence.

Cartel Backing Money Laundering Gang Broken Up

PY1910163194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2223 GMT 18 Oct 94

[FBIS Translated Text] Buenos Aires, 18 Oct (NA)—It has been officially reported that 50 members of the National Border Guard today dismembered the Argentine connection of an international organization that laundered narcodollars and that was connected with the Cali and Medellin cartels.

The organization was dismembered in several actions in this capital with the participation of members of the DEA and FBI under the orders of Judge Carlos Liporaci.

The operation, which was called "Chimborazo," was carried out simultaneously in 11 other countries of the Americas.

Up to this afternoon it was not known whether the operation would also be carried out in other cities of our country or whether any arrests had been made during the raids.

The actions in this capital were centered on the Nuestras Islas Travel Agency, 520 Esmeralda Street, in the middle of the downtown area, which is presumably owned by a Paraguayan citizen named Samudio.

Simultaneously the Border Guards, with the help of the Buenos Aires Squadron, other federal units, and DEA and FBI agents from the United States, raided an office on the second floor of the building located at 567 Sarmiento Street.

The house of the owner of the travel agency, located at 2949 Virrey Aviles Street in the district of Belgrano, and the house of the travel agency owner's legal representative, located at 2841 Cuenca Street in the district of Villa del Parque, were also raided.

The operation began at 1300 [1600 GMT], when the Border Guards cut off Esmeralda Street from Corrientes Avenue and then entered the travel agency in the company of the prosecutors of the National Criminal and Correctional Court No. 3 under the orders of Judge Liporaci.

The agents impounded an important quantity of documents, cash registers, diskettes, forms, and other papers.

During the course of the afternoon police sources detailed the modus operandi of the organization that laundered narcodollars and that had its base of operations in Argentina.

In this respect, it was learned that the investigation in this country began with the decision to follow Colombian Engineer Hugo Cuevas Gamboa, who presumably operated in Argentina and apparently looked after the organization's financial aspects.

It has also been indicated that the drug traffickers moved some $50,000 a week in the laundering operation in the office located on Esmeralda Street.

In addition, Gamboa heads the most important drug trafficking organization in Colombia, and he is a close aid of Miguel Angel Rodriguez Orejuela, leader of the Cali cartel.

It has also been learned that Argentina is presumably the operations base of the Colombian Cali and Medellin cartels, and that Gamboa has more than 900 firms to launder money in 28 countries, of which 20 are to be found in the Americas.

The report indicates that the other operations, all of them connected with the same organization, were carried out in Honduras, Panama, Peru, the Dominican Republic, the Philippines, Brazil, Guatemala, Ecuador, and the United States.

Reliable sources have indicated that the organization's modus operandi consisted of placing the drug in the United States and Europe, where they exchanged it for low denomination bills.

The money ended up in the exchange houses that the organization had in the most important cities in the world and from there it entered the legal financial circuit.

The function of the offices such as those that were raided here was that of engaging in a complementary second step of the laundering operation in which legal papers (vouchers, invoices) were obtained through a travel agency, for example, to justify the use of the money.

A former employee of the travel agency indicated that during the time he worked there under the orders of the owner, Samudio maintained permanent contact with military personnel in Paraguay, and he stressed that the business was maintained thanks to the exchange operations.

[Buenos Aires TELAM in Spanish at 0014 GMT on 19 October reports the following on this case: "Federal Judge Carlos Liporaci confirmed tonight that four persons, one of them Uruguayan, have been arrested and accused of laundering money from drug trafficking.

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["During a news conference given at the Centinela Building of the National Border Guard, Liporaci revealed that the owner of the travel agency Islas Malvinas S.R.L., Jorge Samudio, is one of the main persons who is under arrest.

["Liporaci confirmed that two children of Samudio, a male and a female, and an employee of Uruguayan nationality were also arrested on charges of 'laundering money.'

["During the course of the news conference the judge revealed that 'foreign banks are involved in the crime and they are supported by the Cali and Medellin cartels.'

["Liporaci explained that the intelligence gathering of the National Border Guard took 11 months, and he rejected the assertion that the money launderers are linked to Argentine businessmen or politicians."]

Bolivia

Coca Producers Demand Expulsion of U.S. Charge d'Affaires

PY1910205594 Madrid EFE in Spanish 2349 GMT 18 Oct 94

[FBIS Translated Text] The Bolivian Union coca producers organization today asked the La Paz Government to expel U.S. Embassy Charge d'Affaires David Dloughy.

The La Paz daily PRESENCIA reports today that Dloughy accused peasants producing coca of being "drug traffickers" and Bolivia of using "coca as a means of blackmail."

The union leaders stated: "National sovereignty has been violated in the face of strategic meddling by the United States."

They want Dloughy to prove his remarks before the Bolivian court because they feel he has violated Bolivian law and sovereignty.

Moreover, several ruling and opposition congressmen have stated that the U.S. diplomat went "a bit over the top," adding that he should give an explanation to the Bolivian Foreign Ministry.

The Bolivian Government, together with the United States, is dedicated to eradicating an established area of coca, the raw material used to manufacture cocaine, in exchange for large economic aid.

Bolivia is the second biggest world producer of coca, after Peru. Most coca plantations, which are mostly found in the central Chapare region, produce for the drug trade and for drug trafficking.

Chapare has been the scene of tough confrontations between the peasants and Bolivian police and military forces in an effort to eradicate coca plantations.

Consumption of coca is legalized in Bolivia, providing it is not to be used to manufacture drugs.

Governability Pact, UCS Situation Viewed

PY1910214094 La Paz Television Nacional Network in Spanish 1700 GMT 19 Oct 94

[FBIS Translated Excerpt] It is well known that most Solidarity Civic Union [UCS] congressmen believe the governability pact between this party and the MNR [Nationalist Revolutionary Movement] has been broken. However, not one single UCS member has resigned from the executive branch. Presidency Minister Carlos Sanchez Berzain does not know what will happen to the UCS members who hold public posts.

Sanchez Berzain commented on the new breach within the ruling coalition, following the withdrawal of 16 UCS deputies. He said this morning that the problem is the exclusive concern of the party.

[Begin recording] [Unidentified reporter] Minister, what will happen to the UCS members within the executive branch?

[Sanchez Berzain] I do not know. That is a UCS problem. A large number of congressmen respect the governability pact and remain in their posts. We are calling a meeting of the intra-party coordinating board, where the UCS is represented by those deputies and a senator who have decided to follow the democratic path.

[Reporter] Are the UCS members also divided within the executive branch?

[Sanchez Berzain] I do not know. That is a UCS problem and we will not meddle in their affairs. [end recording] [passage omitted]

President Gonzalo Sanchez de Lozada is now meeting at his San Jorge residence with the MNR national executive committee. They are following the political actions within the UCS—which is a member of the government coalition—provided the agreement with the UCS has been broken. They are also discussing the withdrawal of the 16 UCS congressmen who were members of the government coalition and the possible effect on the work of the legislative branch.

President of CEPB Discusses Organization's Role

94SM0483A La Paz HOY in Spanish 11 Sep 94 p 17

[Interview with Gonzalo Bedoya, president of the Bolivian Private Businessmen's Confederation, by Galia Morales Lara; place and date not given]

[FBIS Translated Text] The Bolivian Private Businessmen's Confederation (CEPB) seems to have lost its doctrinal and participational approach to the capital issues in the country. Under other administrations, this business entity, together with the church, presented its demands to the government authorities and obtained a

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hearing, because of the forcefulness of its presentations. According to Gonzalo Bedoya, one of the representative leaders of the business organization, the absence of the CEPB from the political, economic, and social life of the country is due to the lack of leadership at the top level. The confederation has ceased to identify the private sector as a part of the complex of national problems in terms of restorative and imaginative ideas—ideas that can contribute to the process of change the country is undergoing. We are reproducing here a conversation we had with Gonzalo Bedoya. This interview reflects the current situation in the Bolivian Private Businessmen's Confederation from a critical perspective.

There is a lack of clear leadership at the top level of this business body when it comes to identifying the entire private sector with the national complex of problems based on direct participation that can contribute restorative and imaginative ideas to the process of change in the country. Such participation is not being promoted at all. As we can clearly see today, there is far greater concern on the executive level with attracting foreign investors than with taking the opinions of the domestic business sector into account.

[Morales Lara] It would seem that the CEPB today is not participating in the life of the country as it did in the past. What is your view on this?

[Bedoya] The current perception of the situation of the CEPB does indeed reflect a certain feeling shared by a number of businessmen who represent a variety of sectors. In fact, we believe that the confederation has lost the doctrinal approach it had under previous administrations, particularly the administrations of some presidents who were able to give the organization a proper image.

This image has been affected by the fact that the confederation today is not participating actively and imaginatively in the process of change the country is experiencing, in terms of the norms being established for effecting these changes. The perception from outside suggests that the confederation should participate to a much greater extent in the discussion of important issues. They include capitalization, educational reform, and popular participation (concerning which the Congress has approved laws), as well as others that are seen as necessary and complementary to them.

As in any institution, personalities play an important role here, and I believe that in part, this feeling, which is certainly real to some extent, is the result of the fact that the presidency of the CEPB is not being exercised as it was in the past. The reason is the necessary absence of the current president, Carlos de Chazal. As everyone knows, he does not reside in the capital, but in Santa Cruz.

As a result, the time devoted to the problems of the confederation is directly related to the time the president is able to spend in the city of La Paz. It comes to much less than the time the preceding president, who lived in La Paz, devoted to our leading institution.

[Morales Lara] Do you believe that the office of the president of the confederation should be permanently located in the government capital? What effect has the fact that this is not presently the situation had?

[Bedoya] This has been an aspect that has always concerned us. During the campaign, Engineer de Chazal promised to devote all of his time to the organization, but it appears that in practice, this is not possible. There is, therefore, a lack of communication between the executive secretariat and the lower levels and the office of the president of the confederation.

During previous administrations, the president was the motive force of the activities within the confederation. Now the distance is being bridged by such means as telephone calls, fax messages, and periodic visits. However, this is not the same as having a permanent location in La Paz. This situation is affecting the loss of the confederation's previous image or reputation.

The other subject of concern is the fact that the private business interests in La Paz lack representation. A Private Businessmen's Federation of La Paz is being organized and, as has been foreseen since the beginning, this will eventually affect the budget of the confederation. Pending resolution of this problem, the time being devoted to its analysis is diverting attention from problems of a sectorial and departmental nature to problems that are, in this case, national.

This is an issue that needs to be resolved. In this connection, the members of the Businessmen's Federation of La Paz will have to reach certain understandings as a function of the program and the budget of the mother institution.

The third problem I see, and this is a very personal opinion, has to do with the very different personalities among the leading sectorial representatives in the confederation. The officers of the business organization are failing to provide clear leadership in terms of identifying the entire private sector with the national complex of problems through very direct participation that will contribute restorative and imaginative ideas to the national process of change. This is not happening at all. It is clear to us today that on the executive level, there is much greater concern with attracting foreign investors than with taking the opinions of the national business community into account.

This is not a criticism of the executive branch, but rather an analysis of the problems that the leadership of the confederation must deal with.

[Morales Lara] Has the confederation concerned itself sufficiently with involvement in the capitalization process?

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[Bedoya] The attitude of the institutional representatives in the confederation is reactive, rather than active. We are seeing what happens. Today the representatives of the press themselves have to go to the confederation in search of information, whereas during previous administrations, the institution itself, through the office of the president and the executive secretariat, provided information. There is a similarity in the actions and attitudes of those representing this institution nowadays.

[Morales Lara] Why is the confederation unwilling or unable to make its positions clear to the public, either through statements or by other means?

[Bedoya] I do not believe that the confederation is refraining from expressing its views on national issues. It is simply a very different style of administration, one satisfactory to some but not to others. If we had any one of the past presidents in charge of the confederation now, the style would be different.

The role of the confederation in communicating about and taking action on the major national issues is not perceived in the same way as it was in the past.

[Morales Lara] Within this context of change, which of the previous presidents' administrations would have represented the proper style?

[Bedoya] This task of supervising a standard of conduct has now passed into history. I believe that the private sector should have a tool that enables it to pursue the work of analysis and investigation culminating in a process of selecting ideas and shaping detailed mechanisms for their application. This work on certain specific issues that have been assigned an order of priority should be submitted to the government authorities and the legislative branches so that it can serve as a specific and concrete contribution by the private sector to the process of change. What is at issue is the establishment of the foundations for the transformation of Bolivia into a new Bolivia.

[Morales Lara] Can it be that the current model contributed to disrupting the private business sector?

[Bedoya] It has not disrupted the national business sector, but it certainly has disrupted a private sector that was entirely dependent on the state. This was a private sector that developed thanks to direct transactions with the state, but not thanks to those of us businessmen who were excluded, or who have had little to do with state transactions. In no way do we feel excluded from the situation. On the contrary, we feel a much stronger motivation to identify with the market conditions, in order to establish a position in which we can develop further, since we are perfectly well aware of the conditions for free competition. The growth of the private sector is only possible where there are no limiting conditions hindering or inhibiting this competition.

Official Notes Country's Gas Production Lead

94SM0482C La Paz HOY in Spanish 5 Sep 94 p 11

[Article by German Velasquez Clavijo: "Go Ahead, Take Gas. There's Plenty for Everyone"]

[FBIS Translated Text] Bolivia has no competitors that can prevent its becoming an energy distribution center, and has sufficient reserves to meet the needs of Brazil, Chile, and Paraguay. Furthermore, in the future, Peru will have no alternative but to use Bolivian gas-pipelines to export its gas.

Bolivia has no immediate competitors that can prevent its becoming the Southern Cone's [Argentina, Chile, Uruguay] natural gas distribution center, since, taking advantage of its geographic location, it is pursuing a policy of regional energy integration, said National Secretary for Energy Carlos Miranda.

But in order to implement this policy, warned former Energy Minister Herbert Muller, the search for gas needs to be stepped up, the necessary pipelines quickly built, financing obtained, and clear and precise contracts reached with Bolivia's neighboring countries.

Argentina a Potential Gas Producer

At a conference at the National Academy of Sciences on the hydrocarbons-production potentialities of the countries surrounding Bolivia, Miranda explained that with its 19 sedimentary basins and an area of 1,750 kilometers [as published], and with proven gas reserves totaling 579,076 million cubic meters, Argentina occupies 23d place in the world ranking in this regard and fifth place in the Latin American ranking.

He stressed, however, that the possibility of Argentina's replacing its imports of Bolivian gas with domestic production, and eventually becoming a competitor, will depend upon its capacity to step up its production, particularly in the northeastern basin, with proven reserves there of 143,000 million cubic meters of gas.

Muller agreed with Miranda's opinion, and said that Argentina's intermediate-term and long-range policy is aimed at increasing production in its three basins in order to satisfy its domestic demand, replacing its imports of Bolivian gas, and exporting the rest to Brazil.

Implementation of this process, however, added the government official, will still require many years.

Peru's Transport Problem

Peru, Bolivia's other possible competitor, with a substantial hydrocarbons-producing potentiality, has proven and probable reserves that can easily satisfy its domestic demand and provide a surplus for export by sea, said Miranda.

At the same time, according to Muller, market projections relative to northern Chile are higher, from the standpoint of volume, than those for southern Peru. The

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latter is therefore a market of little significance, but still a very interesting producer market from the standpoint of future exports.

Miranda pointed out that Peru's big Camisea reservoir might be used in the future to export gas to Brazil and Argentina across Bolivian territory, since transportation by sea has become very dangerous in the last few years.

In other words, the two big countries with large short-term hydrocarbons-producing potential are very far from becoming exporting countries, but form part of Bolivia's energy-integration project to supply third parties via Bolivian gas-pipelines.

Not All a Song and Dance

But in order to achieve the objectives of self-supply and exportable capacity, Muller stressed, Bolivia needs to be able to count on investments to step up exploratory work and build gas-pipelines in a relatively short term.

He added that Bolivia must carry out a campaign abroad to attract foreign investments and must negotiate iron-clad performance contracts with stipulated exploration aims, production objectives, and required financial results.

Bolivia's markets for its gas are its neighboring countries. Not all its potential markets are quickly accessible, however, since merely being able to supplant the energy sources used in those countries is in itself not sufficient. The process must also be economically viable and competitive.

Muller said that the materialization of foreign-market potentials requires that Bolivia be able to count on sufficient gas reserves and production capacity; that the buyers be able to count on the market and infrastructure; and that both sides obtain very precise purchase and sale agreements.

Brazil

Exports to U.S. Lose Preferential Tax Treatment

PY2010022994 Sao Paulo GAZETA MERCANTIL in Portuguese 18 Oct 94 p 3

[Article by Livia Ferrari]

[FBIS Translated Text] Since 1 October all Brazilian products exported to the United States have had to pay full import taxes. On 30 September the period for application of the General System of Preferences (GSP) for the United States expired. This benefit applied to nearly 20 percent of all Brazilian sales to that country.

The situation is already creating some uncertainty among exporters. Jose Augusto Castro, technical director of the Brazilian Foreign Trade Association (AEB), said: "The expiration of the U.S. SGP, added to the overvaluation of the real compared to the dollar, is one more factor reducing the competitiveness of Brazilian products abroad."

According to Castro, the issue becomes increasingly more delicate if we consider that the United States is the main market for Brazilian products, absorbing an average of 20 percent of our exports.

Statistics from the U.S. Department of Commerce show that last year the U.S. GSP was applied to nearly $1 billion worth of Brazilian products. These products entered the U.S. market with zero import tax. Soraya Saavedra Rosar, deputy chief of the Foreign Trade Department (Decex) of the National Confederation of Industry (CNI), has already consulted with dozens of entrepreneurs who do not know exactly how to act. The technical advice given by CNI experts to all these entrepreneurs is to continue shipping products to the United States, accompanied by the so-called "Form A." This document is issued by the Bank of Brazil to certify the origin of the product so that it can apply for the benefits of the GSP. If the U.S. system of preferences is extended (Soraya believes this will probably happen), the exported products that are accompanied by Form A will receive back the amount of import tax already paid.

The draft bill proposing the extension of the GSP period, which President Bill Clinton has sent to Congress, is still under debate. The draft bill proposes that expiration of the period be extended from 1 October 1994 to 31 July 1995. Congressional debate on the draft bill has, however, been temporarily interrupted because of the congressional recess imposed by the congressional elections, which will be held in the United States next month.

Clinton Congratulates President-Elect Cardoso

PY1910220794 Sao Paulo AGENCIA ESTADO in Portuguese 1935 GMT 19 Oct 94

[Report by special correspondent Marta Salomon in Moscow]

[FBIS Translated Text] Moscow, 19 Oct (AE)—President-elect Fernando Henrique Cardoso today had a telephone conversation with U.S. President Bill Clinton. Clinton congratulated Cardoso over the phone for his electoral victory and expressed his willingness to intensify relations between the two countries and cooperate with Brazil in international affairs.

The Brazilian Embassy in Moscow was informed yesterday that Clinton wanted to talk to the Brazilian president-elect. Clinton called late this afternoon, but Ambassador Sebastiao do Rego Barros only commented on the call after Cardoso had already informed President Itamar Franco about it.

Clinton and Cardoso will probably meet soon. In addition to visiting the countries of the Common Market of the South (Argentina, Uruguay, and Paraguay), Cardoso

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has already scheduled for the beginning of December trips to the United States, Japan, France, England, Germany, and finally Spain.

'Unofficial' Text of Yeltsin Letter to Cardoso

PY1910184394 Sao Paulo GAZETA MERCANTIL in Portuguese 18 Oct 94 p 7

[FBIS Translated Text] Russian President Boris Yeltsin yesterday sent a message to PSDB [Brazilian Social Democracy Party] Senator for Sao Paulo Fernando Henrique Cardoso, congratulating him on his election as president, and conveying wishes of happiness and prosperity for him and for the Brazilian people, according to a news agency report.

Herewith the Russian president's message (unofficial translation):

"His Excellency, Mr. Fernando Henrique Cardoso, the president-elect of the Federative Republic of Brazil

"His Excellency:

"On the occasion of your election as president of the Federative Republic of Brazil, please accept my sincere congratulations and my sincere wishes of happiness and prosperity for Your Excellency and for the friendly Brazilian people.

"Today we can see with satisfaction that multifaceted links, of rich content, have developed between our two countries. Time has given such links the mark of maturity. The current stage of Russian-Brazilian relations shows a qualitative change; modern juridical structure and treaties; and active interaction in the political, economic, commercial, and scientific and technological areas.

"I am certain that Russian-Brazilian links of friendship and partnership will develop even further, for the sake of the peoples of our two countries, and for the sake of international stability.

"[Signed] B. Yeltsin"

PRC Ambassador Urges Increasing Trade

PY1810154894 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Oct 94 p B8

[Interview with PRC Ambassador Yuan Tao by Aldo Renato Soares; place and date not given]

[FBIS Translated Text] Brasilia—The PRC, which proclaimed itself a republic 45 years ago, wants to increase trade with Brazil. Trade amounted to barely $17 million when Brazil recognized the Chinese Government 20 years ago. In 1993 it amounted to $1.06 billion with a favorable surplus of $600 million for Brazil. Chinese Ambassador to Brazil Yuan Tao said: "This volume is very small when the bilateral potential is taken into account."

He highlighted the fact that the two countries "agree" regarding nearly all international topics. Brazil has always supported the PRC to the detriment of Taiwan, and it supports the PRC in its bid to become a member of the GATT. China, which is a permanent member of the UN Security Council, supports Brazil's bid to join.

During its 15 years of economic reforms, China grew by 9.6 percent per year, and it has received $160 billion in foreign investment. The GDP amounted to $500 million in 1993.

[Soares] How are trade and political relations with Brazil?

[Yuan] Brazil and China established diplomatic relations, and during this period bilateral relations have progressed excellently. Three important authorities visited Brazil in 1993: President Jiang Zemin, Vice Premier Zhu Rongji, and Foreign Minister Qian Qichen. Foreign Minister Celso Amorim visited China and we analyzed several aspects pertaining to economic cooperation. Energy, mining, and aerospace are the main sectors within this economic cooperation. In October 1996 we will launch a joint satellite that will be used to research the earth's resources. The PRC invested 70 percent in the project and Brazil 30 percent. We will create a joint enterprise to explore for metals in Carajas, and some Brazilian enterprises will participate in constructing a hydroelectric plant in Three Gorges in China. It will be the largest hydroelectric plant in the world, costing $20 billion, that will be completed in 15 or 17 years. We are also interested in Brazilian highway and deep port technology.

[Soares] What are the prospects regarding bilateral relations?

[Yuan] Trade has increased, but it can increase a lot more. Our trade 20 years ago amounted to $17 million. It reached $1.06 billion in 1993. This is not very large considering the potential of the two countries. Brazil has a favorable surplus of $600 million. I believe within the next few years trade will be more balanced. China's main purchases are iron ore, steel, cellulose, soybean oil, and chemical products. Brazil purchases machinery, tools, textile products, and educational materials. Brazil is interested in importing coal for coke and technology for the coal sector. The PRC is interested in more iron ore from Brazil.

[Soares] China has begun to open up its economy, but the are still barriers regarding a political opening?

[Yuan] Following the economic opening in 1978, there has been a lot of progress. China's trade with the world amounted to $20 billion in 1988. In 1993 it amounted $200 billion. Trade barely reached $1.1 billion in 1950. In 1993 China produced 1.1 billion tons of coal, 90 million tons of steel, 450 million tons of grains, and 150 million tons of oil. China is an economic power

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regarding production. From 1978 to 1993 the government approved 170,000 joint enterprise projects with a predicted investment of $300 billion in foreign capital alone. Of this, $130 million has been invested. From 1978 to 1993 the GDP grew by 9.6 percent per year. In 1992 it grew by between 12 and 13 percent. We need to modernize the agricultural sector, reduce differences between rich and poor provinces, regulate the offer and demands of assets, and to do away with inflation, which will reach 13 percent in 1994.

[Soares] Do price controls exist?

[Yuan] The government controls some basic product prices, but 80 percent of the prices are free and are ruled by market demand. This is why we believe we can now become a member of the GATT. There is a need for certain controls to prevent price speculations.

[Soares] What is the level of political relations with Brazil?

[Yuan] China and Brazil have common interests and agree on nearly all international problems. Brazil has a clear position regarding Taiwan and it supports China's bid to become a member of the GATT. We want to increase the number of members on the UN Security Council based on regional balances and on the level of development of its members. We support Brazil, which supports us in all international forums.

[Soares] How is the process of political opening in China?

[Yuan] We are perfecting the People's Assembly, which has more than 2,000 deputies who are elected by the people. We want the people to participate more vigorously in national affairs. We want a more effective socialist democracy. We have eight political parties in addition to the Communist Party, and some members of the government come from the democratic parties. Vice President Rong Yiren is from the National Reconstruction Party. There is a lot of disinformation regarding the political system in China. Some want China to have a democracy like the one in the United States. But China is different. Each country has its own culture and customs. China will establish a democratic system that is right for the Chinese people.

Diplomatic Action Improves Image Abroad

PY1910183894 Sao Paulo GAZETA MERCANTIL in Portuguese 14 Oct 94 p 5

[Article by Maria Helena Tachinardi]

[FBIS Translated Text] Before the inauguration of Fernando Henrique Cardoso, who clearly supports the liberalization of the economy, Itamaraty has embarked on a project to change the Brazilian image abroad.

With four diplomats, six Foreign Ministry officials, $2 million, and some creativity, Itamaraty has selected 18 of its posts abroad to assemble centers of information on Brazil. The embassies and consulates in the United States, Mexico, Argentina, London, Rome, Madrid, Lisbon, and Tokyo will also open publicity and dissemination centers. The embassy in Ottawa and the consulates in Canada, South America, Moscow, western Europe, South Africa, Portuguese-speaking African countries, China, Australia, Korea, and Hong Kong will also disseminate information on the country.

To improve the databases of its embassies and consulates, and to expedite the transmission of information, Itamaraty will sign an agreement with Embratel [Brazilian Telecommunications Company] for a rapid fax transmission system. The publication "BRAZIL IN BRIEF" [preceding three words in English], which is released by the Brazilian Embassy in Washington in English, will also be published in Spanish, French and German.

Luiz Fernando Ligiero, the Foreign Ministry Dissemination Department chief, said the first results to be received by his department—which was created this year—are positive: on 7 September, newspapers from around the world published special supplements on Brazil, based on information supplied by the embassies.

The General Undersecretariat of Integration and Economic Affairs will also publish a study on the changes in the economic areas, to orient foreign investors. The Alexandre de Gusmao Foundation (Funag), which is also subordinated to Itamaraty, is organizing several seminars for intellectuals and nongovernmental organizations interested in the environment, women's rights, population affairs, and human rights.

The international agenda has expanded the field for Brazilian diplomatic action, which includes round table talks on matters like NAFTA, Mercosur [Common Market of the South], relations with the United States, and the Summit of the Americas.

The policy of Itamaraty also involves informing Brazilians on foreign policy. A video on the Foreign Ministry—what it does and how it works—has just been ordered after a call for bids. Itamaraty official Gelson Fonseca said Funag is sponsoring political scientists' lectures at seminars promoted by universities.

The dissemination program has brought to Brazil journalists from THE FINANCIAL TIMES, Norway's AFTENPOSTEN, FRANKFURTER RUNDSCHAU, Barcelona's EL PERIODICO, and the INTERNATIONAL HERALD TRIBUNE, as well as Argentine and Russian television teams. Inter-American Dialogue analysts were also invited.

Ligiero said: "We want them to have greater insight into Brazil, letting them write without interference. The results are satisfactory." The topics deal with the Brazilian democratic process, the liberalization of the economy, Mercosur, and Brazil's desire to obtain a permanent seat on the United Nations Security Council.

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The approach by the journalists is different from that one year ago, when newspapers highlighted the massacre of abandoned children and Ianomami Indians, and the urban violence linked with drug trafficking and poverty.

Ligiero said that following the murder of the children at the Candelaria Church in Rio de Janeiro, the Itamar Franco administration had to take rapid action to prevent the EU from cutting its technical cooperation programs with Brazil.

Itamaraty designed a list of sensitive issues, which are the target of negative news, and with the cooperation of nongovernmental organizations, private enterprises, universities, and research institutes, has gathered data to show what is being done to resolve those problems.

The use of an image as a strategy is well known in Latin America. Colombian Embassy Counselor Sergio Escobar said Colombia spends approximately $10 million annually on its "lobbying" program with European and U.S. mass media. "Even if we do not manage to fully change the negative image, at least we improve it," he said.

Electoral Court Annuls Deputy Elections for Rio de Janeiro

PY2010023094 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 19 Oct 94

[Report by Elizabeth Saenz from Rio de Janeiro]

[FBIS Translated Text] The Rio de Janeiro TRE [Regional Electoral Court] has decided to again hold the elections for federal and state deputies on 15 November. The decision made by the TRE justices is based on the understanding that there has been generalized fraud in the elections, and so the result of the vote tally lacks credibility.

One of the seven TRE judges, Jose Antonio Pereira, requested the presence of the Armed Forces during the next elections to guarantee clean elections in Rio de Janeiro. Pereira said that the greatest evidence of fraud was the fact that the number of blank votes was smaller in the election for deputies than in those for governor and president.

Outside the courtroom, a group of demonstrators spent the afternoon awaiting the TRE decision, which they immediately celebrated.

Transition Team To Revise, Change Budget; Problems Noted

PY1910153294 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Oct 94 p A6

[Article by Mara Bergamaschi and Odail Figueiredo]

[FBIS Translated Text] Brasilia—In an attempt to comply with his promise of investing $100 billion in four years, President-elect Fernando Henrique Cardoso will have to alter the national budget for 1995 that has already been submitted to Congress by the current government. In addition to rearranging appropriations to give preferential attention to the areas that Cardoso has picked as priority areas—education, health, agriculture, security, and the generation of jobs—the transition team will also have to adapt this year's budget to the structure that will result from the administrative reform that has been planned by the new government.

According to Planning Minister Beni Veras, the technicians who have been named by Cardoso will begin this week to revamp, together with government officials, next year's budget. Congress, which has not yet voted on the 1994 budget, and which had already allotted a period of time to allow congressmen to submit amendments, will wait for the changes that the new team will make in the 1995 budget.

According to his advisers, the president-elect has not yet defined exactly how he will redistribute the appropriations, but it is expected that the new government will financially revitalize organizations such as the National Research Council (CNPq), which is linked to the Science and Technology and Culture ministries.

Cardoso has also promised to invest $3 billion in housing programs during 1995. He hopes to withdraw $2.2 billion from the Severance Pay Fund (FGTS), which is used today by the Federal Savings Bank (CEF) to finance popular housing. But, in the social sector there is expectation that the new president will reinforce the appropriations that are reserved for the Emergency Program Against Hunger and Misery, which was one of his main promises while on the campaign trail.

The goal of investing $25 billion a year, something that Cardoso himself termed as "modest and realistic," is not based only on resources from the budget, including those from state enterprises and from national and foreign private enterprises. In addition, and regarding direct administration, the budget does not have the capacity to meet these kind of sums.

In order to have an idea of the difficulties that the president-elect will have to face, it is enough to recall that Beni Vera estimated that in 1995 only $4 billion of the $94 billion distributed among the ministries will be applied freely. The difference has already been committed. In view of this situation, Cardoso's government plans to use the surplus from the privatization of state enterprises, external financing, and even the country's international Reserves in addition to the appropriations provided by the budget.

The economists of the new government will also have to deal with other budgetary problems. According to estimates provided by the Planning Ministry, the 1995 budget has a deficit of $8 billion that has been caused by the elimination in January of the Provisional Tax on Financial Operations and by the predicted outlay for the salary equalization of public employees. And, the traditional problems will also be repeated next year: The lack

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of money for the social security area, which will need some $28 billion, and for the health sector, which will not be in a position to function properly with only $12 billion.

PSDB To Back PT Candidate in Federal District

PY1910220594 Rio de Janeiro JORNAL DO BRASIL in Portuguese 13 Oct 94 p 5

[FBIS Translated Text] The PSDB [Brazilian Social Democracy Party] and the PT [Workers Party] will join efforts in an attempt to guarantee the victory, in the runoff election, of Cristovam Buarque, PT candidate for governor in the Federal District. The decision to formally support the candidacy of Buarque was made in the evening of 11 October, during a meeting of the Brasilia PSDB executive board. "We are willing to engage in Cristovam's campaign," Deputy Sigmaringa Seixas, who attended the meeting, said yesterday.

The PSDB support does not mean, however, that the party will have posts in an eventual PT administration. "We do now want posts. But it is reasonable to debate some points of our program," Sigmaringa Seixas said. This condition set by the PSDB is not expected to produce difficulties within the PT. Cristovam Buarque himself has said he sees no problem in debating on some PSDB program topics, because the two parties share the objective of creating jobs in the Federal District.

Seixas said that President-elect Fernando Henrique Cardoso will not become involved in the runoff in the Federal District. "Cardoso will probably not participate here, if for no other reason, because he was defeated here," Seixas added. He said he does not believe there will be problems with regard to the PT supporting Mario Covas, the PSDB candidate for governor in Sao Paulo. "This will naturally occur in Sao Paulo," he said.

PDT Growth Not Attributed to Ideology, Brizola

PY1910144194 Sao Paulo GAZETA MERCANTIL in Portuguese 14 Oct 94 p 5

[Article by Eliane Cantanhede from Brasilia]

[FBIS Translated Text] Did the Democratic Labor Party, PDT, grow or shrink? The answer to this question is given by experts [preceding word in English] who are concentrating on studying the electoral returns and who realized, even before the end of the vote scrutiny, that the number of members of Leonel Brizola's party is increasing. They think, however, that this growth is artificial because it is not the result of an ideology, of some sort of programmatic interest, or of Brizola's agglutinating power.

An analyst said: "In some cases, the PDT has simply rented its name." New governors, such as Jaime Lerner (Parana) and Dante de Oliveira (Minas Gerias), for example, have been elected by the party, but they have very little in common with each other or with leader Brizola.

Three federal deputies who have always acted in accordance with the front supporting Brizola, against Rede Globo for example, have just lost their mandate. They are Luiz Salomao, Vivaldo Barbosa, and Paulo Ramos, all from Rio de Janeiro State. They are also members of the Nationalist Parliamentary Front, which former Deputy and former Governor Waldir Pires [Brazilian Social Democracy Party] viewed as an embryonic party. Pires, who broke with the PDT, was defeated in the dispute for a Senate seat by slightly more than 2,000 votes.

The PDT is headquartered in Rio de Janeiro, which is responsible for the worst electoral blunder this year and is charged with many instances of electoral fraud. The PDT, nonetheless, tried to expand to the rest of the country in search of good candidates interested in a party's name, any party's name. Even so, the party still has the chance of electing, in the runoff, Lucia Braga for the Paraiba State governorship, Jackson Barreto for the Sergipe State governorship, and Chiquilito Erse as Rondonia State governor.

According to some experts in politics, the good question is: "And what do former PDS [Democratic Social Party] member Lucia Braga, former socialist [party not further identified] Jackson Barreto, and former modern-PFL [Liberal Front Party] member Erse have in common?" Nothing. Therefore, the same insecurity surrounds the PDT federal bloc, which is comprised of six senators and 30 deputies. Not leftist, not rightist, and increasingly less Brizolist. Perhaps, its main common trait is an exacerbated nationalism, which is a deteriorating trend in the National Congress.

Communist Party Congressional Bloc Analyzed

PY1910195994 Sao Paulo GAZETA MERCANTIL in Portuguese 14 Oct 94 p 5

[Article by Eliane Cantanhede in Brasilia]

[FBIS Translated Text] Despite perestroyka in Moscow, the fall of the Berlin Wall, and the social and economic failure in Albania, the PC do B [Communist Party of Brazil] managed to double its bloc in Congress. It has grown from five to ten—maybe even eleven—deputies. This may be the big surprise of the leftist movement in these elections. The PT [Workers Party] was considered a growth certainty—it was believed its bloc would grow from 36 to at least 67 deputies—yet it only managed 50.

Orthodox, inflexible in negotiations, the PC do B has spurned one by one all the international communist movements that are becoming more flexible. The PC do B did not approve the opening within the Soviet Union, which began to be hinted at during the 1960's; it dived deeply into orthodox Communism and surfaced as a dissident from the PRC, which sought rapprochement

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with the United States and Russia; it turned to Albania until it discovered in horror that the paradise described by that small country was merely an endless hell. Not even Cuba remained as a model because of their excessive dependence on the Soviets, whom the orthodox members rejected.

"Not even I fully understand what they think," says David Fleischer, a Brazil expert and professor from the University of Brasilia. He says: "All I know is that they maintained strong bases in high school and university student movements, which is the key to their current election success," to the point that one elected PC do B member is Lindberg Farias, a former president of the National Union of Students (UNE).

Deputy Haroldo Lima (PC do B-Bahia) who has just been reelected for the fourth time to the Chamber of Deputies explains: "We defend pure Socialism which cannot be lured by fads; and real nationalism, because the defense of our principles is not something of the past. Those who do not believe in this are the ones who missed the train of history." There are currently only four Communist countries in the world: the PRC, Cuba, North Korea, and Vietnam. Even so, more than 100 Communist parties still survive.

Beside Haroldo Lima, one of the few leftist survivors of Bahia State to be reelected, the following deputies were elected for the PC do B: Aldo Rebelo [reelected] from Sao Paulo, Jandira Feghali and Lindberg Farias, both from Rio de Janeiro; Socorro Gomes [reelected] from Para, Ricardo Gomide from Parana, Inacio Arruda from Ceara, Aldo Arantes from Goias, Agnello Queiroz from the Federal District, and Sergio Miranda from Minas Gerais. Two other candidates are first alternate deputies: Renildo Calheiros from Pernambuco, and Marcos Cunha from Acre. Marcos Cunha called for a re-count because he lost by only 14 votes.

Haroldo Lima says: "The PC do B never ceased to be the hegemonic force of the student movement and the second labor force after the PT." He even acknowledges the contradictory situation expressed in the ballot boxes: "The left suffered a meaningful defeat for Lula and Brizola. Lula was the symbol of the working classes and Brizola was the symbol of the liberalizing left. The elections consolidated the pure Socialists who do not want to reform capitalism but who want to install a new regime."

And President-elect Fernando Henrique Cardoso? "Well, he comes from intellectual, academic roots and he has come to the left without originally being from the left," says Haroldo Lima. When Lima was imprisoned in Sao Paulo between 1976 and 1978, he was visited by Fernando Henrique Cardoso when he was a leader of the National Pro-amnesty Movement.

"This was the start of the Popular Action. AP," Lima recalls. In those days, his [not further identified] political colleagues were, for example, Jose Serra—who is currently a senator—and Sergio Motta, currently secretary general of the PSDB [Brazilian Social Democracy Party]. They are both from the front line of Cardoso's candidacy and of the future government.

During a telephone conversation yesterday with PT Secretary General Ruy Falcao, Haroldo Lima concluded that the PT members who will gather at Congress in February are much more intimate with the so-called "radicals" of the party, like Falcao than with the "moderate" federal deputies like Jose Genoino Neto and PT leader Jose Fortunatti. PT advisers however, think it is too early to make such a deduction. One of them said: "Paulo Paim, for example, is considered a radical when he negotiates wage increases, and a moderate in internal party debates."

While the radical members from several parties try to come close, the Communists known as "lights" [preceding word given in English] of the PPS [Popular Socialist Party], are insecure over their identity and they already began organizing a national convention for March to discuss the party direction. The PPS replaced the Brazilian Communist Party, PCB, after the 1992 Communist "split." It surfaced in 1985 to the disgust of the PC do B.

Planning Ministry Secretary General Raul Jungman said: "The leftist sector cannot just promote the redistribution of income and disregard the production of wealth. It has no model, says nothing about the economy—and when it says anything, it is wrong." Jungman is a member of the PPS national executive board, a party that is totally opposed to the PC do B, in that it supports all international modernization trends.

Unlike the PC do B, which grew, the PPS obtained only one outstanding success in the last election: Its great national leader Roberto Freire, of Pernambuco, has become the first really communist Senator. He has openly admitted being a Communist (or that he comes from Communism) since 1947. Otherwise, the PPS only managed to reelect federal Deputies Sergio Arouca, who is a Rio de Janeiro physician, and Augusto Carvalho, who is a Federal District bank employee. Jungman said: "The PC do B had a clearer proposal, which just the same has its limitations. It has gone as far as it can."

System of Control Planned for State-Owned Companies

PY1910011394 Sao Paulo GAZETA MERCANTIL in Portuguese 14 Oct 94 p 1

[Article by Claudia Safatle from Brasilia]

[FBIS Translated Text] The government has been preparing a new system to administer the state-owned companies that will not be privatized. It consists of abandoning attempts "to control" them and instituting a

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more autonomous management through new management contracts, performance agreements, leasing, franchising, and subcontracting of some services, considering the basic principle that "as a shareholder, the government wants results," Planning Ministry [Seplan] Executive Secretary Raul Jungman explained to this newspaper.

The state-owned companies' new line of action is a result of a study conducted by Seplan. The first conclusion of this study is clear: Since the end of the 1970's, when the Secretariat for the Control of State-Owned Companies (Sest) was created, the government has been pretending to control the companies while they have been pretending to obey the government.

"The control system has been destroyed, and we do not have policies for the 151 state-owned companies that still exist," Jungman said. He was appointed to Seplan by Deputy Roberto Freire (People's Socialist Party, Pernambuco State), but has become more important in the last few months as a member of President-elect Fernando Henrique Cardoso's team. "The elections have shown that society wants the government companies to become committed to the objectives of macroeconomic stabilization. Society also wants to see corporate costs reduced," Jungman pointed out.

The president-elect proposes to preserve the large state-owned companies such as Petrobras [Brazilian Petroleum, Inc.] and Telebras [Brazilian Telecommunications, Inc.], but plans to make their monopoly more flexible. His idea is to replace a more autonomous management supervised by Sest for the government's full access to these companies' cost structure. It may seem incredible, but although the federal government is the main shareholder in several of these companies, it has no access to the cost structure of the most important ones. The Petrobras structure dates from 1977, when the country imported large amounts of oil. The price of oil by-products is still derived from these cost standards.

These companies will be granted autonomy through management contracts that will be different from those signed in the past. Instead of establishing only performance goals, Seplan proposes to introduce variations that commit the large companies—these will be the only ones with management contracts—to the government's macroeconomic policies.

As for the smallest state-owned companies receiving resources from the national Treasury, the trend is to establish performance agreements—production goals, investment, dividends, and decreased indebtedness—and maintain a low degree of managerial freedom. These companies will have the possibility of resorting to leasing and franchising methods. "TASA, a state-owned company that maintains airport services, for example, could be leased out," Jungman said.

Seplan proposes that the new public company coordination system be organized in a similar manner to that of Sest—for which purpose there is a decree ready for implementation—which should work as the executive secretariat of the Public Companies Coordination Council. Sest and the council should define the policies of prices, fares, salaries, investment, and indebtedness. All government representatives from the Public Companies Administration Council would be connected to Sest and the investment budget, and given that the Global Expenses Program [Programa de Dispendios Globais—PDG] will be abolished, a program of sources and uses of resources could replace it. "PDG and the investment budget are currently two merely formal instruments without any administrative relation with the companies," the Seplan executive secretary admitted.

"We want the government to have a policy for the public companies that will not be privatized. Such a policy should envisage the negotiation of the companies' autonomy, taking into consideration the government's social and macroeconomic interests," he said.

Franco Asks Congress for Funds for Nuclear Plant

PY1910144094 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 19 Oct 94

[FBIS Translated Excerpt] President Itamar Franco yesterday submitted a request to Congress, asking for authorization to transfer funds allocated for the Angra III nuclear power plant—construction of which has not yet begun—to Angra II, construction of which is under way.

Despite the fact that construction of Angra II began in 1976, that is, 18 years ago, 30 percent of the project is still to be completed. Completion of the project will cost a bit more than real [R] 1 billion.

Following the president's decision, Angra II will receive almost R 400 million. Angra II annual maintenance expenses amount to R 100 million. The total cost of the project will be slightly over R 4 billion. [passage omitted]

Congress Approves Union's 1994 General Budget

PY1910210194 Sao Paulo AGENCIA ESTADO in Portuguese 1549 GMT 19 Oct 94

[Report by Joao Domingos]

[FBIS Translated Text] Brasilia, 19 Oct (AE)—Congress has just approved, by a vote of bloc leaders, the Union's General Budget bill for 1994, with only three modifications. There were 368 lawmakers in the Chamber of Deputies, but no check was made of a quorum in the Senate. The budget will now go to the president for promulgation. The modifications are the following: 250 million reals for elementary school education, 150 million reals for National Research Council scholarships, and an allocation of 70 million reals for municipal governments.

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Satellite Communications System To Reduce Costs

PY1210161194 Sao Paulo AGENCIA ESTADO in Portuguese 2020 GMT 11 Oct 94

[FBIS Translated Text] Brasilia, 11 Oct (AE)—President Itamar Franco today ordered the implementation of the first program of the recently created Brazilian Space Agency (AEB). The program envisages the implementation within five years of a low equatorial orbit satellite communications system which, besides ensuring important technological knowledge for Brazil, will integrate the whole of national territory with telephone, fax, and data transmission services at a much lower cost when compared with the current specialized systems in use.

"A cellular telephone holder will, for example, be able to speak to any point in Brazil or the rest of the world from any point in the Amazon region," said AEB President Luiz Gylvan Meira Filho. "Not only that, but we must currently spend something between $5,000 and $15,000 to install a simplified telephone system in any small town, depending on the distance," added Communications Minister Djalma de Morais. "With the new system equipment expenses can be reduced to $750," he said.

The project is being developed by Brazil's AEB and Telebras [Brazilian Telecommunications, Inc.], and by Bell Atlantic, a U.S. company with great experience in this field. The program has a budget of $198 million for investments and another $76 million for research. The economic return is calculated to be $285 million by 2002, through the sale of 300,000 subscriptions in Brazil and 650,000 others in the 90 countries located near the equator which be within the scope of the same system. Brazil and the U.S. company will share 50 percent each of the costs and profits.

Baptized with the name Eco-8, the system foresees placing in space eight satellites, plus two reserves, which will remain in circular orbit at an altitude of 2,000 km. Each satellite weighs an average of 250 kg and will have a useful lifespan of 5 years, the period of time the experts consider enough to recover their investment. The cost for satellite users will be $0.50 per minute, a fee that is considered low by current standards.

Chile

Newly Appointed Interior Minister Interviewed

PY1810194094 Santiago LA TERCERA DE LA HORA in Spanish 25 Sep 94 pp 10-11

[Interview with newly appointed Interior Minister Carlos Figueroa Serrano by Carmen Luz Ibarra in Figueroa's office at La Moneda in Santiago; date not given]

[FBIS Translated Text] [Ibarra] What will be the first tasks you will take on as interior minister?

[Figueroa] The first is a political task, in that we have to establish smooth working ties with those parties that make up the Coalition of Parties for Democracy [CPPD]. It is very important for the government to work closely with the members of the CPPD.

[Ibarra] If that is the case, why were they not taken into consideration for this cabinet reshuffle?

[Figueroa] One thing has nothing to do with the other. One thing is the government, the president's authority, which is what was exercised to reshuffle the cabinet; and another is the fact that the government must work together with the parties that constitute its political base.

[Ibarra] Could the Socialist Party's (PS) annoyance have been averted had the parties been advised ahead of time?

[Figueroa] No one can ascertain whether annoyances could have been averted had things been different.

[Ibarra] How are the ties between the government and the PS?

[Figueroa] I cannot deny the fact that the PS is annoyed, because they are behind German Correa, their fellow party member and former party president. They are disenchanted with the way in which things turned out... I understand their reaction regarding German Correa. I hope the main thing under consideration will be why the PS is a CPPD member and the obligation the CPPD has to the country, as it has been entrusted with the clear mandate of governing for the next six years and fulfilling those tasks it promised to fulfill in the CPPD platform.

[Ibarra] Are you annoyed when people contend that you are a member of the so-called "iron circle"?

[Figueroa] I am not annoyed, because it is a coined phrase that someone invented for those who have a personal friendship with the president. What I can assert is that there is no such iron circle. Those who believe that [Secretary General of the Presidency] Genaro Arriagada, [Defense Minister] Edmundo Perez Yoma, and Carlos Figueroa confer with each other in order to act in unison before the president are wrong... That would be a true circle, because it would be an enclosed group of action and influence. In the first place, I think this indicates a lack of respect on the part of the three ministers toward their president. What is more, I think it would be a disrespectful attitude toward their friend, who happens to be president. The president is the one who determines the kind of relation he wants to have with us.

[Ibarra] But all three of you took part in the meetings prior to the cabinet reshuffle?

[Figueroa] No.

[Ibarra] I understand that you attended these meetings...

[Figueroa] You do not understand anything, because I did not take part in any meeting during which a cabinet reshuffle was discussed.

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[Ibarra] Were you not at Eduardo Frei's house on Sunday afternoon, or after the military parade?

[Figueroa] That is different. We did not discuss a cabinet reshuffle. We were informed of what was to ensue that evening... Of course the cabinet members who were to be sworn in were summoned by the president that same night. Those who were informed were briefed by the president about the changes, but we were not the only cabinet members present. The so-called iron circle, therefore, does not exist, nor was there any meddling in the recent cabinet changes.

[Ibarra] What about the meeting you reportedly held in the midst of a cocktail party at Lo Curro [Army Officers Club] after the military parade?

[Figueroa] Where did you get the idea that there was a meeting at Lo Curro?

[Ibarra] It was not specifically a meeting, but you did withdraw to hold a private conversation.

[Figueroa] You confuse things. When the president arrived at Lo Curro he was welcomed by the Army commander, and the defense minister escorted him into the room where the visiting commanders of Ecuador, Uruguay, Paraguay, and Peru were waiting for him. At a given time the three dignitaries walked toward the room where the generals were waiting to greet these authorities. I was not in the room, because in my capacity as foreign minister I had no authority to be there. No other cabinet member was there, either. This is in compliance with standard military protocol at these ceremonies...

[Ibarra] There was no private meeting between you and General Pinochet?

[Figueroa] Imagine, how could we be discussing private agreements? With whom? With Gen. Pinochet?

[Ibarra] Yes, with Gen. Pinochet.

[Figueroa] But where have you been? You are truly offending me when you ask whether I met with Gen. Pinochet to discuss a cabinet reshuffle. This is truly unacceptable, even in the form of a question!

[Ibarra] I am asking this question because it is news...

[Figueroa] But this is truly unacceptable, even in the form of a question. You cannot ask me this question. How could I, in my capacity as a cabinet member, be discussing a cabinet reshuffle with Gen. Pinochet? And you can quote me, because I categorically deny it. This is an insult to the interior minister!

[Ibarra] It is information I obtained and which I must clarify.

[Figueroa] You cannot address such questions to me, the interior minister, or to the defense minister, either.

[Ibarra] What problems have been resolved with your appointment to the Interior Ministry?

[Figueroa] No problem has been resolved. We are not evaluating people. What the president took into account was the political situation, the culmination of a first stage, and the start of a second, the aim of which is, basically, the prompt achievement of the priorities established by the president in his 21 May message and in Finance Minister Eduardo Aninat's speech. The government's decision to prioritize the educational reform is the great change that Chile must implement in the next few years. Moreover, we must implement an ambitious infrastructure program, because Chile's socioeconomic development relies on its effectiveness. The improvement of the quality of life of people is another basic objective of this policy, which in general terms is described as investment in infrastructure but which is connected to the poverty issue. Moreover, there is the task of increasing Chilean economic production, which is competing with all others in the world. The growth of our exports is one of the pillars of the country's economic development. To compete we must therefore improve productivity. In other words, we must achieve a better yield in goods and services per employed individual, which is tantamount to lower cost and better quality. This would allow us to fulfill another priority objective: the internationalization of the Chilean economy... I would like to add another important point: The country cannot modernize its economy if its institutions and political system are not modernized.

Commentary Backs Unilateral Customs Tariff Cuts

PY1810215094 Santiago EL MERCURIO in Spanish 5 Oct 94 p A3

[Unattributed commentary: "Agreement With the United States"]

[FBIS Translated Text] The foreign minister's remarks about the possible study of a bilateral agreement with the United States have raised well-founded objections. The postponement of the expansion of NAFTA creates options, such as waiting for the United States to begin to accept new members, or exploring the possibility of other agreements to deregulate trade with other countries. It is also worth considering the possibility of advancing, in general terms, in the area of unilateral elimination of trade barriers. This last option has been gaining strength with the undefined position of the European Union and the difficulties that Mercosur [Common Market of the South] is having in coming to special agreements with our country.

The national desire to close another trade agreement with the United States is premature, and even though this might be made clearer in the future, at present it means accepting the failure of having NAFTA expanded and an invitation to conclude bilateral agreements outside known frameworks. So far we have no concrete precedents to ensure that the United States has definitively ruled out the possibility of incorporating new members into NAFTA. What we do know is that President Bill Clinton has refused to request any time soon a

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quick discussion (fast track) treatment of the issue in Congress. Washington justifies this decision in saying that it prefers GATT, whose rules are of universal application and more appropriate for world order than regional agreements.

It is true, in any case, that the persistence of protectionist, ecological, or labor groups, and the majorities required in the U.S. Senate, are difficult obstacles for the implementation of mutually agreed upon additional trade deregulations. We must add to this the U.S. Government's hesitation and lack of clear foreign policy goals, which is due in part to the imminent renewal of Congress while the Democratic Party and the president are suffering a loss of popularity.

The continued uncertainty about NAFTA should not lead to inaction, or silence a strategy that would benefit national interests. The country cannot continue to let actions to reduce tariffs get bogged down while waiting for agreements that depend on other countries' internal problems. As long as free trade continues to benefit us, we should continue to strengthen this principle with internal measures that will support our integration with the rest of the world.

Neither does it seem reasonable to suggest bilateral negotiations without a clear reference, such as the text of NAFTA. The lack of precision about what is to be discussed, and the differences in the power of the parties, makes us fear demands that might go beyond the strictly commercial, and which are of a worse nature than those accepted by Canada and Mexico. The cost of bilateral agreements, which cause forced trade deviations, is also known. On the other hand, the benefits of diversifying and expanding economic links through unilateral opening are obvious. In this case we can also consider lists of exceptions and special benefits to some countries, depending on reciprocity.

We must add to all this the positive effects of a general reduction in customs duties on local competitiveness, which also lowers inflation rates and results in a better foreign exchange rate for exporters.

We have, then, renewed doubts about the suitability of insisting on bilateral trade deals, and the increasing conviction that the delay in reducing tariffs is harmful to Chile.

Colombia

Samper Discusses Venezuela Ties, Issues

PA1910233394 Caracas EL NACIONAL in Spanish 16 Oct 94 p D-1

[Report on interview with President Ernesto Samper by Jose Vicente Ponce at Narino Palace in Santa Fe de Bogota; date not given]

[FBIS Translated Text] Santa Fe de Bogota (Special Correspondent)—Ernesto Samper Pizano has been in Narino Palace for a little over a month. His first official trip abroad was to Caracas last Tuesday. The message is clear: Relations between Colombia and Venezuela are of capital importance to Bogota, even if Samper says he is not losing sleep over Venezuela's economic situation. He was always been a brilliant student "with the best grades in the class, one of those kids that teachers always use as an example." He maintained this same discipline at the university and demands it of his children. It is said around Narino Palace that he also demands it of his cabinet, advisers, and supporters.

Samper is a good-natured and unpretentious man who interrupts the interview to take all his phone calls. His office is on the second floor of the Palace. Under a portrait of Santander there is a photograph of his wife and an antique clock stopped at 0920, how long ago no one knows. Samper excuses himself for a moment, and soon in the distance you can hear the sound of a presidential piss. When he returns to his office, he savors a few candies of the few still left in a jar just next to the picture of his wife.

[Ponce] Let's see, Mr. President, you have been in government two months, and already we have counted several criticisms of the United States.

[Samper] They are not criticisms, not at all. We have positions on certain issues that do not necessarily agree. But there are sectors in the United States that share our opinions.

[Ponce] Last week, because of statements by the former DEA director in Colombia, your government decided to reorganize the DEA's operations in your country. How will they operate now?

[Samper] The government is currently studying the situation to establish new terms and conditions.

[Ponce] What will the new terms be?

[Samper] Ah, this is something I cannot tell you because that is what we have to study.

[Ponce] Then, tell me, what is the bottleneck in this issue?

[Samper] As the lawyers say, it should be kept secret. (laughs)

[Ponce] Can anything new be expected in relations with the DEA?

[Samper] That the relations be smoother, more transparent.

[Ponce] Then, it was not smooth or transparent in the past?

[Samper] The word is more. I said they should be more transparent and smoother.

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[Ponce] The former DEA director in Colombia said himself that Colombia was the biggest narcodemocracy in the world. You have tried to minimize the importance of such a statement.

[Samper] Obviously, I am not dancing with joy over his statements. It is a very unfair assessment of Colombia. We are a country that has shown great institutional resistance in facing all attacks by narcoterrorism and narcocorruption. This country has paid a very high price in lives and economic losses to continue its struggle against drug trafficking. We do not deserve this description.

[Ponce] You have also reiterated that in addition to eliminating crops, drug consumption has to stop so that drug trafficking can be quashed.

[Samper] These are two sides of the same coin. There is an offer and a demand. We have to end with the offer and the demand. The issue is clear: We have to set goals. In general, all the countries that are withstanding the struggle against drug trafficking believe there has to be a bigger commitment to reduce consumption levels, the laundering of dollars, and the sale of chemical precursors. We are very effectively controlling the sale of precursors over here, but we need for these sales to be controlled at the other end. We need the sales to be controlled in the countries that produce the chemicals, especially Europe.

I Don't Lose Any Sleep

[Ponce] At a meeting with Venezuelan businessmen you said you were not concerned with the economic situation in Venezuela. However, your development minister said that if the Venezuelan economic plan fails, Colombia "will have to make adjustments." What exactly does "adjustments" mean?

[Samper] No. I mean, the truth is that Venezuela is emerging from the worst of its foreign exchange crisis. It has managed to renew the daily flow of its foreign exchange obligations. According to the finance minister (Julio Sosa), approximately $30 million a day are being paid. This has allowed relations between Colombia and Venezuela to return to their regular status. I suppose the minister (Rodrigo Marin) was referring to several pending balances we have been studying to establish, for example, emergency credit lines for Colombian exporters or special aid operations, if you prefer this term.

[Ponce] Is the intent to use ALADI [Latin American Integration Association] mechanisms to get Venezuela to cancel its debts?

[Samper] Actually, we currently operate and have been using ALADI's reciprocal credit guidelines in our operations. However, as I have told you, I believe—according to how I understand it right now—that the only outstanding debt from the previous obligations does not amount to more than $50 million.

[Ponce] A week before your visit, the Venezuelan Exchange Administration Board allotted $56 million to pay Colombian exporters for debts incurred over a three-month period. But this same amount was paid every month last year.

[Samper] Let's see, the monthly flow of Colombian exports (to Venezuela) should be, I do not know, in the 50- or 60-million range.

[Ponce] It is estimated that by the end of the year, Venezuela will have exported approximately $1.3 billion and Colombia will have exported $700 million.

[Samper] Yes, the balance favors Venezuela currently. But, as we said to the businessmen at the meeting, we are not too concerned about this. It is part of the regular adjustment between the two economies.

[Ponce] Is it then to be understood that your government does not plan to use the contingency clauses, as several Colombian businessmen have indicated?

[Samper] I do not think it is necessary for the time being.

Development at the Border

Samper tells us he is very superstitious. He has a penchant for the number 10 and, perhaps by coincidence, on the 10th day of the 10th month, he came to Caracas for the first time as president of the Republic.

[Ponce] You only received the Presidential Commission on Border Affairs for 10 minutes.

[Samper] (laughter) The commission...no. Gosh, the meeting with the border commission was longer, more like 20 minutes. It was a regular meeting to hear about progress in the process. It was not on the agenda, but we decided to include it.

[Ponce] After each presidential summit an official declaration is issued reiterating the "political will" to develop this area. What are the real proposals for border development?

[Samper] I believe we have a structural problem here. The role of the borders within the context of an economic opening must change substantially. The traditional role of borders with closed economies is that each border is waiting for the other side to do badly in order to then invade and profit from the neighbor's misfortune. In the context of a free market of goods and services, we have to be bold and establish a concept of binationality. That is, we must share production assets on the border, establish binational factories and work with third countries, free trade zones, global tourist packages, share energy services, and have freely convertible currencies. Our actions on the border must be bold. We can no longer view the borders as imaginary lines on maps.

[Ponce] When you were in Caracas, you mentioned plans to develop microfirms in the border area.

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[Samper] I believe that microfirms are the productive future of our economies. We cannot continue to undertake Pharaonic projects. We have to understand that the size of a firm is the key to productivity, which does not mean that we want midget firms to be the basis for our country's growth. Examples of economic growth, for example the Asian economies, show that they started with small productive units.

[Ponce] But, you just said that we have to establish factories and other such things on the border.

[Samper] This is included. That is, with industrial projects we can get the big factories to promote the development of small businesses.

[Ponce] The issue of social measures is a constant in your speeches, but so is the one about controlling inflation in Colombia. This will also increase public spending.

[Samper] (Hesitates before answering) Yes, but public spending must not be seen as necessarily inflationary. Public spending can also be productive. Taking pesos from the people's pockets is not the only way to fight inflation. We can also fight inflation by producing more; we have forgotten about this option.

[Ponce] And, what is the government's role?

[Samper] The government will further the development of sources of production. For example, a big part of the inflation crisis experienced in Colombia is associated with the food crisis. We have to produce food again. I am not saying we will not import food when it is competitively cheaper to do so, but we must not sacrifice our food production bases.

[Ponce] Those same proposals, including the social measures, are very similar to the ones proposed by the Venezuelan president.

[Samper] We identified with him to a great extent. We have the same sweetheart: our social policy.

NAFTA, Mercosur, and Half-Alliances

[Ponce] Speaking of alliances. Your government has already said in advance that it will negotiate its entry into NAFTA (North American Free Trade Agreement), but it has not explained whether it will do so with Venezuela. Why join Venezuela to seek membership in Mercosur [Southern Cone Common Market] and separately seek induction into NAFTA, when Venezuela and Colombia have joint customs?

[Samper] We all want to get to a hemispheric free trade zone, and there is no one way to get there. We can get there by airplane, boat, bicycle, or motorcycle, depending on the condition of each economy. We can get there through bilateral, regional, or hemispheric proximity. I have said that Latin American countries should restate the concept of ALADI, use this concept to define what a Latin American GATT should be, and establish general rules for relations within the hemispheric context.

[Ponce] Will better results be achieved by negotiating as a bloc?

[Samper] I believe so. We need not take action as a bloc, but we should establish general rules to prevent others from snatching the best that each of us has to offer.

[Ponce] Excuse me, Mr. President, but I must insist. Why not join NAFTA together?

[Samper] This could happen. It has not been discussed. But it could happen within the context of the G-3 [Group of Three]. I am not saying we should join in groups of two or six or individually, but that we should clearly understand the general rules through which we will negotiate our access to that market. For example, we must establish ground rules for the negotiation of issues like tariff reductions, raw materials, and intellectual property. In a phrase, we need general rules.

[Ponce] Colombia has launched a diplomatic attack of sorts to increase its access to neighboring countries like Ecuador and Peru, where commissions similar to those functioning in Venezuela have been installed. Do you plan to do the same in Brazil?

[Samper] I would like to extend, in conjunction with President Caldera, a sort of bridge to Brazil, a sort of southern G-3. I see the Brazilian border as a door to the Caribbean, which is the most dynamic market.

The Guerrillas

[Ponce] Last week the leader of the Army of National Liberation [ELN], speaking on a radio station, said he would like to negotiate peace. Your government took a favorable view of those statements. Are you willing to negotiate?

[Samper] Yes. It was the first time the ELN had so clearly, directly, and emphatically expressed the true resolve to negotiate.

[Ponce] With conditions.

[Samper] Obviously. We are not after absolute, unconditional submission. We know there must be a negotiations process. However, we want to be sure that if we sit at a negotiations table it is for the purpose of signing a peace treaty.

[Ponce] Will the date for the beginning of the negotiations between the Colombian Government and ELN be disclosed soon?

[Samper] There are positive elements. I set a 100-day deadline, starting at the beginning of my administration, to assess those elements.

[Ponce] You have a month and 10 days left.

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[Samper] Yes, but I am optimistic because we have already received messages with those elements.

[Ponce] Your administration has pointed out that all dialogue will be held abroad.

[Samper] I believe dialogue abroad renders negotiations less sensational. It fosters calmer thinking about the basic aspects of peace.

[Ponce] Could the negotiations be held in Venezuela?

[Samper] I do not know. Honestly. They could be held anywhere in the world.

[Ponce] However, have you ever thought of holding them in Venezuela?

[Samper] Venezuela crosses my mind every half hour.

[Ponce] Specifically with regard to this matter?

[Samper] No.

Officials To Counter Attack on Tuna Imports at CIAT Meeting

PA1910221294 Santa Fe de Bogota EL ESPECTADOR in Spanish 17 Oct 94 pp 1A, 1B, 3B

[Report by Myriam Astrid Montoya]

[FBIS Translated Text] Starting today, Colombia will embark on its own ecological battle to defend itself from the tuna embargo imposed by the United States on this country.

At both a panel and subsequent assembly of the Inter-American Commission of Tropical Tuna (CIAT), to be held in La Jolla (California), the nation will insist that it is in strict compliance with its commitment to protect dolphins.

It will present two additional arguments:

First, data gathered by CIAT observers demonstrates that the death rate of dolphins during tuna fishing has been reduced to such low levels that it can be said that their survival is guaranteed. That is, they are not in danger of extinction.

Second, even more important, is that all the zeal in defending the mammal now threatens preservation of the tuna.

This is because the growing restrictions imposed by the United States on this sector are forcing companies to capture the younger tuna, as these do not travel with the dolphins.

If this practice continues, tuna will not be able to reproduce in sufficient quantities to guarantee their existence in the coming years.

These arguments, as ecologically sound as those used by the United States to sanction Colombia, will be presented to the member nations of CIAT, among which is the United States.

The Colombian delegation is chaired by Silvia Forero de Guerrero, deputy minister of agricultural development and fishing, and Alejandro Londono Garcia, manager of the National Institute of Fishing and Agriculture (INPA).

The officials have gone to La Jolla accompanied by the nation's main fishing businessmen.

La Jolla Agreement

CIAT is a scientific-technical organization whose opinions are highly influential internationally, since it has been studying tuna and dolphins for over 40 years.

Although Colombia is not an official member of this Commission—it hopes that its membership will be approved at this session—it has always participated in the meetings as an observer.

This is why in 1992 it signed the so-called "La Jolla Agreement,"—also signed by the United States—whereby the 10 nations commit to gradually reduce the death rate of dolphins in eastern Pacific Ocean fishing.

Limits on the mammals' death rate started at 19,500 in 1993 and will be reduced to less than 5,000 in 1999. In the first year the goal was achieved to the extent that only 3,900 animals perished.

This is why Colombia insists that if the agreement is being complied with there is no reason for any action like the embargo now in force.

This same fact supports its position that the dolphins no longer run any risk of extinction as their death rate is almost insignificant.

"The truth of the matter is that this is more a trade than an ecological battle," Colombian Government sources insist.

Risks of the Embargo

The greatest danger of the measure adopted by the U.S. Government against Colombian tuna is not just an end to imports; rather, it is the possible subsequent effects.

INPA has explained that Colombia does not export yellowfin tuna to the United States, the variety of tuna on which sanctions have been imposed. Instead, it exports a smaller tuna caught in waters where dolphins are not found.

This is why trade sanctions do not have immediate economic effects.

Nevertheless, an embargo could be reflected in two different ways on the international market:

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The first is a certain hesitation by other nations over the item being sanctioned.

The second is more serious, as other purchasers can be subject to a secondary embargo by whoever imposed the measures, in this case, the United States.

This means that if a secondary embargo is imposed, the U.S. Government could prevent the entry into its market of products manufactured with Colombian tuna by other nations.

Therefore, Colombian exports to places like Europe and Japan could be cut off.

Herein lies the importance of Colombia's defense of its tuna.

Country Largest Processor, Distrubutor of Cocaine

PA1910192894 Santa Fe de Bogota EL TIEMPO in Spanish 16 Oct 94 p 3B

[FBIS Translated Text] It seems Colombia is not only the largest processor and distributor of cocaine in the world, but also the second largest producer of coca leaves, after Peru. Bolivia is the third largest.

The most conservative figures indicate that the number of planted hectares doubled in the last two years from 40,000 to more than 86,000. According to a study, to which government and nongovernmental organizations contributed, 250 tons of cocaine a year can be processed from that number of coca leaves.

Report Describes San Andres Route for Gunrunning

PA2010010594 Santa Fe de Bogota EL TIEMPO in Spanish 16 Oct 94 p 2B

[FBIS Translated Text] A beach lost in the San Andres Archipelago was the gathering point for a group of island residents. It was 0200 hours when they left aboard a boat headed for Nicaragua. Two hours later, as the craft skirted the sea border with the neighboring country on the 80th meridian, several lights from the twin-engine boat blinded the crew of the modest boat.

It was the signal agreed on with the crew of the Nicaraguan boat to proceed to transfer the weapons shipment into the small Colombian craft. The weapons they were carrying could well supply half a guerrilla front: four R-15 rifles, three G-3 machine guns, three AK-47 rifles, and FAL rifle, a Maxwell revolver, 12 40-mm grenades, three fragmentation grenades, a grenade launcher, ammunition carriers for AK-47 rifles, and other ammunition.

In exchange, the Nicaraguan crew would get 12 kgs of cocaine that it would send to Mexico and ultimately the United States. Once the transaction was conducted each craft returned to its own country. In the early morning hours, as the boat was approaching the San Andres Archipelago, National Navy personnel arrested the crew. The sailors captured the drug traffickers after a heavy firefight; 12 are now in the island's La Loma prison. Fishermen, farmers, merchants, peddlers and even business managers are sharing prison with them for drug trafficking. They comprise 90 percent of the inmates.

Authorities from the island, the DAS [Administrative Department of Security], Police, the regional prosecutor's officer, and DIJIN [Judicial Police and Investigations Directorate] concur in noting that San Andres constitutes the mandatory route for running weapons from Nicaragua, El Salvador, Mexico, and even the United States. Defense Ministry intelligence documents confirm the existence of that route.

The trajectory begins in the Nicaraguan city of Bluefields where, according to Colombian authorities, Colombian middlemen are offered weapons in exchange for drugs. From that coastal city of Bluefields, the weapons are transferred by boat to the area near the keys of Corn Island, a Nicaraguan island located two hours by boat from San Andres. The weapons are stored there while buyers are found.

Once the deal is closed in San Andres, the weapons are taken by twin-engine boats, built of fiberglass to avoid being detected by coast radars, to the high seas, near the 80th meridian, Colombia's sea border. After the exchange is conducted on the high seas, the weapons are taken to the Colombian archipelago to be shipped to the interior of the country.

Days later, according to military intelligence reports, they are stored in clandestine weapons warehouses located in Cartagena and Santa Marta, although the sole authority that may produce, transport, and store weapons is the State Military Industry Enterprise (INDUMIL).

Middlemen and gunrunners have managed to avoid the control of the continent's authorities, thanks to their creativity and ingenuity. So far this year, the Narcotics Police have found weapons hidden in refrigerators, stoves, sound equipment, and microwave ovens. But the authorities have no figures to determine the amount of weapons involved.

Another strategy used by the traffickers to smuggle weapons into Cartagena and Barranquilla is stripping down rifles, revolvers, grenade launchers, and rockets to hide them inside home appliances. For that reason, and according to an official from DIJIN's illegal weapons division, the main place where the clandestine weapons for Bogota are sold are the contraband shops [sanandresitos].

According to DIJIN, this maritime route that begins in Nicaragua and crosses over to San Andres, is one of the three main routes used by the guerrillas, drug traffickers, and even common criminals to bring weapons into the country. Once they stop over in San Andres, the weapons sail for our territory via Panama, Venezuela, and the

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traditional access route: the coast (innumerable tributaries of the Atrato River facilitate trade through Uraba.)

When the weapons reach Barranquilla and Cartagena they are transported over land, usually hidden inside trucks, to the sites where the regular customers are: the drug cartels (mainly Cali and Medellin) and guerrilla fronts (ELN [Army of National Liberation] and FARC [Revolutionary Armed Forces of Colombia]), as has been reported by the island's Narcotics Police.

Although the route that stops over in San Andres is the most used, there are other routes for illegally introducing weapons into the country.

The war staged by the Central American governments against the Salvadoran guerrilla (FMLN) [Farabundo Marti National Liberation Front] and the Nicaraguan "contras," have allowed Colombia to become the most attractive buyer on the continent. This is due to the growing demand by its criminal sectors (organized crime, guerrillas, cartels, and so forth)

In this regard, according to Colombian military intelligence documents on information received from Nicaragua, when the contras demobilized, they did not turn over approximately 40,000 AK-47 combat rifles. The same can be said for "Farabundo Marti," the Salvadoran guerrillas. After signing peace with the government in 1993, they hid thousands of combat weapons inside and outside the national territory.

According to an expert, weapons trafficking could be on the rise in Colombia given the possible fall of the Cuban regime: "Cuba has three times more weapons than Nicaragua. The supply of weapons could expand, and the consequences for Colombia will be unpredictable."

Powder for Lead

Three individuals, who once took part in these operations and are now under arrest, have said that weapons trafficking has begun in big cities like Bogota, Medellin, and Cali.

The cartel and drug chiefs set their logistical requirements; then they make contact with intermediaries who know the conditions under which the business operates.

These middlemen travel to San Andres Island for one week or one month, depending upon the supply of the black market for weapons and their relations with traffickers on the island.

At the expense of cartels or the guerrillas, the middlemen check into two- or three-star hotels and begin "their investigations," which consists of finding a trafficker with contacts in the Corn Island Keys.

The business deal is closed on the island. Payment can be made in either dollars or drugs. An AK-47, an assault rifle made in China that because of its versatility and power is used by Latin American guerrilla fronts, sells for 1.4 million pesos on the black market. When buying these rifles, half the purchase price is paid once the deal is closed; the other half is paid upon delivery.

Cocaine has also its value in terms of weapons: R-15, G-3, AK-47, FAL, Uzi, fragmentation grenades, grenade launchers, clips, and revolvers are priced in kilos. According to the supply and demand of Nicaragua's black market, for instance, one kilo of cocaine is equal to 10 G-3 rifles.

Despite the fact Colombian authorities responsible for preventing gunrunning do not have figures on its scope, seizures this year by the Navy point to an increase in illegal gunrunning in San Andres Jurisdiction.

On 5 January, for instance, the Navy seized war materiel that would have armed 15 people well: four R-15 rifles, three G-3 rifles, three Uzi submachine guns, one Madsen machine gun, two grenade launchers, eight 40 mm grenades, three fragmentation grenades, and 2,104 rounds.

On that occasion six people were arrested, including two Nicaraguans manning the boat carrying the weapons.

In July, on the desolate beaches of Rocky Key, the Navy seized a weapons arsenal consisting of 20 AK-47 rifles, one Galil rifle, one M-16, one assault submachine gun, one M-14, and one mini Uzi submachine gun.

A Trafficker Speaks

An inmate in San Andres' "La Loma" prison tells of his experiences as a gunrunner and of his subsequent arrest. "They told me to go to San Andres if I wanted to make some money. The only thing I had to do was talk to some people about smuggling weapons. They took me to an island with a friend to set everything up. They gave me all the money to buy the weapons and make all the arrangements for the shipment. They paid for my hotel room, but I depended on them even for soda. They came every day to our room and watched us to see if we were doing our job.

"I made contact with a gunrunner. That 'man' was well-known. They called him 'Cheche.' He did not look like a powerful person, but like a simple man, a peddler, one of those guys selling sunglasses on the beach. He told me he had a shipment ready, and I had to give them money to close the deal in those islands...on the Corn Island Keys. Then I gave him all the money, some 10 million [currency not specified], not because I was dumb but because the weapons buyers forced me to give him all the money.

"Later, that 'man' disappeared for a month, and we were still staying at the hotel at the buyers' expense. I asked for him on the streets and was told he had left. I thought the money was gone.

"One day another 'man' came unexpectedly to tell me that 'Cheche' had sent him about the pending business. He told me that in two days the shipment would arrive on the beach. Then we got going and got the shipment. It

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was not much because it was only worth 10 million, about 10 rifles with ammunition.

"We took them to an apartment leased by the buyers, and that is where the forces of justice caught up with us. We fell flat for it. But, look, the police are corrupt in this entire business. They also smuggle weapons and keep quiet about other shipments."

Central Bank Supports Samper Social Plan

94CA0195A Santa Fe de Bogota EL TIEMPO in Spanish 14 Sep 94 pp 1, 2 B

[FBIS Translated Text] The Board of Directors of the Central Bank replied yesterday to the criticism of several members of Congress, at the same time announcing its support of the social plan.

The board explained that the bank was not opposed to social spending, but that its efficiency must be improved to the maximum.

The board said that it is not prepared to be silent before the country and, on the contrary, will insist on continuing to be a deliberative body, although Congress or some of its members do not accept that.

This is what the members of the Board of Directors of the Central Bank stated yesterday in their second appearance in Congress, where they continued their presentation of the bank's balance sheet.

The president of the bank, Miguel Urrutia, said that the Board of Directors is aware that social spending can be made more efficient and productive, without losing sight of the need to control inflation.

Finance Minister Guillermo Perry, for his part, insisted that no confrontation was involved and that November would be an ideal time at which tc announce the figures for anticipated inflation in 1995. Perry also announced that the financial plan for 1995 would be completed in a few days.

Perry also said that the meeting on the price, productivity, and salaries pact would be called into session in October. The announcement was immediately criticized by Senator Juan Martin Caicedo, who argued that to convoke such a meeting in these circumstances is to program the group to do nothing, as the inflation goal has yet to be defined.

Perry, however, replied that the pact was precisely a path in the search for an agreement that would serve to determine the plan to stabilize inflation.

New Reform

Yesterday a constitutional reform was again presented in Congress that would give Congress the tools to "turn out" the members of the Board of Directors in the event that they did not meet predicted inflationary goals, or that would require them to maintain a posture of prudence with regard to the economic situation.

Senator Luis Guillermo Velez maintained that, if talking about an inflationary goal that subsequently is not achieved causes a loss of confidence in the board, then it is best that they be prudent.

Perry replied that it is not helpful to carry out a reform that changes the current structure of the board. He said that the current arrangement allows it to maintain its autonomy and independence in managing macroeconomic policy.

However, he agreed that it is necessary to apply that part of the Constitution of 1991 that refers to coordination, so that the government can assume its share of fiscal responsibility.

Roberto Junquito explained to the congressmen that the Constitution of 1991 does not require the members of the board to remain silent regarding what is happening in the economy, and that his opinions had been offered in a personal capacity. "I support the freedom to express an opinion and to alert the country, even if it is against the government, the Congress, and the political parties."

Oscar Marulanda Gomez, in his turn, said that although he has always avoided the press and sought privacy, he believes that the members of the Board should say whatever they think best.

[Box, p 2B]

Report From the Bank

Among operational expenses, the high cost of monetary policy stands out. Nonproductive funds will cost the country 510 billion pesos this year (from OMAS [expansion unknown]).

The most representative item in operational income is that of interest and yield. The current account surplus went from 979 billion pesos to 1.688 trillion pesos.

Much of this increase is due to surpluses caused by adjustments in rates of exchange.

Losses for 1994 are estimated at 210 billion pesos. They must be covered by funds from the national budget.

The yield from reserves will be greater than forecast. It will not be 4.3 percent, but more than 6.0 percent.

Reflections

The cost of monetary policy is increasingly higher.

The flow of foreign exchange subjects the country to the fluctuations of foreign capital.

The government should promote anti-inflationary policies so that all of the weight of the fight against inflation does not continue to fall on monetary instruments. There should be a close relationship among monetary policies.

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Valdivieso's First Month in Post Reviewed

94WD0601Z Santa Fe de Bogota SEMANA in Spanish 20 Sep 94 pp 36-37

[FBIS Translated Text] In his last week as prosecutor general of the nation, Gustavo de Greiff signed a number of affidavits attesting to the fact that five of the most important men in the organization of the Medellin Cartel, who are now serving time in the maximum security facility of Modelo Prison in Bogota, cooperated usefully with justice authorities. He also declared that their confessions helped solve many murders, assassinations, and terrorist acts. The beneficiaries of De Greiff's affidavits were Carlos Alzate Urquijo, alias "Arete" [earring]; John Jairo Velasquez Vasquez, alias "Popeye"; Sergio Alfonso Ortiz, alias "El Pajaro" [the bird]; Gustavo Gutierrez Arrubla, alias "Maxwell"; and Jose Fernando Posada Fierro, alias "Chepe Nando." These men were taken to the Office of the Prosecutor General between Tuesday, 16 August and Wednesday, 17 August by Prosecutor Cruz Helena Aguilar, who was in charge of prosecuting those cases.

When Alfonso Valdivieso took office on 18 August as the new prosecutor general, he found that the affidavits signed by De Greiff were nothing more than another penalty reduction. As soon as he realized the content and scope of these documents, he ordered a full review of the five prisoners' cases to see just how useful their cooperation had been.

A few days later came the big surprise: The cooperation of these prisoners had left a lot to be desired and lacked the substance that De Greiff had claimed. Many of the accusations were contradictory, and in some cases the only thing they succeeded in doing was to divert and hinder other prosecutions. Consequently, Valdivieso formed a commission of special prosecutors for the purpose of arriving at an accurate determination of the validity of previous actions.

This effort, which is still under way, has already yielded the first results. One of them has to do with "Arete," in whose case the Prosecutor General's Office has discovered various inconsistencies. In a voluminous confession, "Arete" took responsibility for 30 of the cartel's most horrifying crimes, including the bombing of the Avianca airliner. Some officials believe that "Arete" claimed responsibility for those crimes because Colombian legislation contains no provision for consecutive sentences but does provide for reduced sentences for cooperation, so after a certain point it no longer matters whether you confess to 10 crimes or 20. These loopholes are available, obviously, if the Prosecutor General's Office allows them by interpreting the regulations in a way that favors the defendant; and that is exactly what some officials think happened in this case. "It is clear from the documents that in Alzate's case, there is not enough evidence in the file to prove real, effective cooperation," a high-ranking source in the Prosecutor General's Office told SEMANA.

For Valdivieso, the biggest problem is that even if "Arete's" confessions are accepted at face value and it is assumed that he really did blow up the Avianca airliner and the Administrative Department of Security (DAS) building, killing more than 300 people in these acts of terrorism, he would end up serving a term of just eight years under the agreement that has been negotiated. That is why the case has been frozen and is now under review. But the prosecutor general was not content with that. Last Friday he decided to remove Prosecutor Aguilar from the cases filed against the terrorist wing of the Medellin Cartel. Aguilar is the prosecutor who caused a scandal several months ago when she allowed two people from outside the Prosecutor General's Office to attend a proceeding involving "Arete." The two later turned out to be attorneys for the Cali Cartel who wanted to meet with Alzate to arrange a peace treaty between the two cartels. The reader may recall that the peace treaty was celebrated with a chicken banquet.

New Winds

These first steps reveal that Valdivieso intends to distance himself from his predecessor. The actions of the two prosecutors general differ in both form and substance. The new prosecutor general has chosen to be less of an activist and to seek coordination and compromise with the executive branch on crime policy, as was evidenced by his trip to the United States last week with Justice Minister Nestor H. Martinez. In just 48 hours in Washington, Valdivieso and Martinez managed to restore U.S. authorities' faith in the validity of Colombia's surrender policy.

Their most important meeting was with Janet Reno, the powerful U.S. attorney general who clashed with De Greiff in an episode early this year that put an end to the cooperation and exchange of evidence that had been carried out previously.

The tone of this meeting was quite different: "A climate of confidence was restored because the U.S. authorities were convinced that I do not favor legalization and that I firmly believe that U.S. judicial cooperation is essential if we are to confront the cartels in the legal arena," stated Valdivieso.

Iron Fist

The prosecutor general's efforts have not been limited to lobbying in the United States. On the domestic front he has already begun to take an active and firm stance. Last week he poked his nose into the business of the affidavits that De Greiff signed last January for three members of the Cali Cartel. On that occasion, Elmer Buitrago (better known as "Pacho Herrera"), Jose Olmedo Ocampo, and Juan Carlos Ramirez appeared in the prosecutor general's personal office and, citing Article 369E of the Code of Criminal Procedure, asked that an investigation be opened into allegations that they had engaged in illicit activities. De Greiff proceeded to open the corresponding investigation, and he gave them affidavits that would protect them against arrest.

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Since the clock is running and a decision to prosecute these individuals must be made by next February, Valdivieso thought he would look into the matter to make sure no drug traffickers would get off scot-free. "We cannot allow impunity to prevail," the new prosecutor general told SEMANA. "Since February, not a single piece of evidence has been gathered against these three people. If De Greiff's decision is not modified, these individuals will be off the hook by next February as far as criminal charges are concerned."

The decision will involve revoking the three affidavits issued by De Greiff in February of this year and ordering a preliminary investigation. Thus, if no evidence is found against them within 180 days, the cases will be put on hold, but the suspects will not be completely exonerated.

Another action that showcases the new muscle-flexing by the Prosecutor General's Office is the transfer of four cases against the Rodriguez Orejuela brothers, Gilberto and Miguel, from Cali to another jurisdiction. The reason for the move is that in Cali the investigations had practically ground to a halt, and the decisions made were not the best ones.

All of these problems appear to be just the tip of the iceberg in a whole series of irregularities that have begun to touch bottom and that threaten to increase the probability that the perpetrators of the most horrendous crimes committed in this country over the last decade will get away with impunity. That is why Valdivieso has decided to take the bull by the horns. It is to be hoped that all these proposals will go beyond mere intentions, because the Prosecutor General's Office is in intensive care right now.

Ecuador

Minister: EU Banana Quotas Offense to Free Trade

PA1910230894 Paris AFP in Spanish 1617 GMT 18 Oct 94

[FBIS Translated Text] Quito, 18 Oct (AFP)—Jose Maldonado, the Ecuadoran minister of industry, commerce, integration, and fisheries, said on Tuesday [18 October] that European Union (EU) restrictions on Latin American bananas are an "offense" to the principles of free trade.

"What is happening to bananas in Europe is truly an offense; an offense to the general principles of GATT and an offense to the Uruguay Round negotiations," he said.

The European Court of Justice based in Luxembourg last week rejected a request by Germany to eliminate the Banana Common Market Organization regulation, which has limited banana imports from Latin America since July 1993.

The EU adopted this measure to protect its own production and the production of ACF group countries (Asia, Caribbean, and Pacific), many of which are former European colonies.

The current maximum export to Europe for non-ACP producers is about 2.1 million metric tons per year with tariffs that Latin American growers consider excessive.

"Everything we have gained in favor of the principles of free trade and free exchange as the basis for reactivating the world economy, the industrialized countries are making sure that the process is halted," Maldonado added.

"We find that the industrialized countries are speaking with a forked tongue" by demanding free trade on the one hand and imposing protectionism on the other," he said.

Ecuador "will seek" the unity of Latin American countries against the EU banana restrictions and take a common stand to negotiate with Europe a greater market share, he stated.

National Measles Eradication Campaign Completed

94WE0457A Quito EL COMERCIO in Spanish 10 Sep 94 pp 1, 8

[FBIS Translated Text] The measles eradication campaign has ended and, with it, the payment of one of the social debts owed by the state to children.

Over 3.5 million children were vaccinated during the national campaign that began on 29 July. Only three provinces, Pichincha, Galapagos, and Morona Santiago, have yet to complete 100 percent coverage. EL COMERCIO was assured of this by Oswaldo Barrezueta, head of the national campaign.

In those provinces, the immunization program will be extended for two more weeks. Ecuador has made a commitment to eradicate the virus by 1998.

The certificate is compulsory for the school enrollment process.

The country is on the way to eliminating the measles virus, a task that only Haiti and our country have not yet completed. The other Latin American nations declared themselves free from the endemia some time ago.

The preventive health service at Carlos Andrade Marin Hospital reported that 70 million cases of measles occur in the world every year, and that 1.5 million of them prove fatal.

Ecuador has taken the first step in the war against measles. Yesterday, it finished the campaign, with over 3.5 million children vaccinated throughout the country.

Except for three provinces, Pichincha, Galapagos, and Morona Santiago, the rest have kept their commitment, declared Italo Barragan, director of the Pan-American Health Organization (PAHO). He congratulated the government on its commitment to meet the goal of eliminating the virus by 1998.

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This campaign cost 5 billion sucres, and is only the first big step toward ending an endemia that is affecting only Ecuador and Haiti. The other Latin American countries are free from measles.

According to Oswaldo Barrezueta, head of the campaign, there will be no more large-scale drives against this virulent disease; however, vaccinations will be given every year to immunize children at the age of nine months.

The most backward province for coverage is Pichincha, where 80-percent coverage has not been achieved. Therefore, the authorities have ordered an extension of vaccinations until October. The health service workers' strike, which lasted 25 days, obstructed the normal fulfillment of the scheduled goals.

So as not to interrupt the campaign in Pichincha, an emergency vaccination plan was established, including the private and Social Security hospitals, high schools and elementary schools, and bank agencies. To date, 3,140 children have visited the Social Security hospital.

Barragan also mentioned the four cases of encephalitis reported, owing to problems with the vaccine. Only one of them appears to be directly related to the immunization dose. Nevertheless, it comes within the normal parameters established by the international health organizations, namely, one in a million.

Measles is an eruptive disease. It breaks out again every two years, depending on the population density and the vaccination coverage. It is calculated that over 70 million cases occur in the world annually, of which number 1.5 million children die, according to a report from the preventive medicine service at the Carlos Andrade Marin Hospital.

Within a decade, the country dealt a well-aimed blow at measles, and put an end to poliomyelitis. At the end of this month, the Latin American countries will hold a meeting in Washington to declare the continent free from polio.

Peru

Congressman Praises Antidrug Information Exchange With U.S.

PY1910213994 Lima EL PERUANO in Spanish 8 Oct 94 p A2

[FBIS Translated Text] Congressman Alexander Kouri Bumachar (PPC) [Popular Christian Party] stated yesterday that the reestablishment of an exchange of information between the United States and Peru on air control in the antinarcotics fight is a sign that the U.S. antinarcotics policy toward the continent is being reconsidered.

"It would seem that the United States has understood that a frontal battle against drug trafficking will benefit not only the consumer country, but the producer as well, because drug trafficking not only undermines democracy in the continent but economic stability in the hemisphere as well," the congressman said.

He added that U.S. assistance must be broader, granting credits and special disbursements to revitalize the zonal economy of the coca producing country, so that the poor campesinos are able to enjoy sufficient development.

Moreover, Luis Enrique Tord Romero, representative of the Democratic Coordinating Group (Code), expressed his satisfaction over the reestablishment of the exchange of information, and added that the United States must increase its aid to Peru in the antidrug fight.

"If this is consolidated with the help of its developed technology, the antidrug fight in the Peruvian jungle will be developed in the most efficient and thorough manner," the congressman said.

The second vice president of the Democratic Constituent Congress (CCD), Victor Joy Way Rojas (MN-C90) [New Majority-Change 90], also praised the U.S. decision to resume the exchange of information. He said that this is a recognition that the drug trafficking problem is the joint responsibility of the two countries.

Joy Way added that quite apart from all foreign aid the government has always had an alternative drug enforcement program, which was consolidated a few days ago with the publication of the "National Plan for the Antidrug Fight."

Election Board Rejects Candidacy of Susana Higuchi

PY2010020594 Madrid EFE in Spanish 0020 GMT 19 Oct 94

[FBIS Translated Text] Lima, 19 Oct (EFE)—Peru's National Election Board (JNE), the highest Peruvian electoral court, today rejected the presidential candidacy of the Peruvian president's wife, Susana Higuchi de Fujimori.

The former first lady was left out of the presidential race when, in revising the voter registration lists, the JNE rejected the registration of Harmony 21st Century, the political party that backs her presidential candidacy, for not having the minimum number of signatures required by the electoral court.

The law requires a minimum of 100,000 signatures. The JNE today also rejected the registration of seven other political parties, which were were also unable to collect the minimum number of signatures.

CCD Agrees To Amend Judicial Branch Organizational Law

PY1910230494 Lima EL PERUANO in Spanish 10 Oct 94 p B4

[FBIS Translated Text] The presidents of the Supreme and Superior Courts will be elected for a two-year period

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only. This was approved on Wednesday night by the Democratic Constituent Congress (CCD) plenum.

By the same decision, the presidents of those courts will be elected only by their counterparts, that is, the president of the Supreme Court will be elected by members of the Supreme Court, and those of the Superior Courts will be elected by members of their respective courts.

The approval of this decision was achieved when the CCD Justice Commission agreed to approve the bill modifying the judicial branch organizational law submitted by the judicial branch executive council.

The changes passed by the CCD agreement abolish the articles pertaining to this organizational law, which established three-year terms for the presidents of the Supreme and Superior Courts and the possibility of being reelected for the same period.

The law had also established that the election of the Supreme Court president be made through the votes of the members of the Supreme and Superior Courts, and in the case of the presidents of the Superior Courts, through the votes of Superior Court members, special judges, and others who used to be called lower court judges.

The bill, proposed at the opportune moment by Supreme Court Justices Manuel Sanchez Palacios Paiva and Luis Felipe Almenara Bryson, argued that the said method of electing presidents of the Supreme and Superior Courts undermined the principle of institutional hierarchy.

It states that institutional hierarchy in the judicial branch is expressed in the plurality of instances, that is, in the possibility of reviewing judicial resolutions by a superior justice and the functional behavior of the magistrates.

It adds that the experience in electing Superior Court presidents has created antagonism among groups of justices, a proliferation of electoral offers, and the creation of personal and non-institutional projects, prompting a situation that undermines the institutional hierarchy that must necessarily exist in institutions that are guardians of the state.

By virtue of the amendments of the judicial branch organizational law approved by the CCD, elections of Supreme and Superior Court presidents will be held on the first Thursday of December 1994.

Leaders Disagree on General's 'Crimes'

95SM0010A Lima Resumen Semanal Press Review in Spanish 4 Oct 94 p 1

[From DESCO Database; received via Internet]

[FBIS Translated Excerpt] [passage omitted] The military prosecutor of the Court of Appeals, the highest instance in the military court system, acknowledged in a public hearing that General Rodolfo Robles Espinoza, who has sought refuge in Argentina, did not commit any crime when he revealed the names of the Army personnel who assassinated a teacher and nine La Cantuta students. Moreover, in the course of his explanation, he recommended the partial filing of the case. His position was based on the degree of guilt of the officer, which for all practical purposes, explains the La Cantuta case in terms of a series of minor crimes including disobedience, insubordination, and abandonment of duty. In other words, the only valid charges against the officer would be use of the uniform when he had already retired and failure to report to the Interamerican Junta, to which he had been transferred, among others. The legal status of Rodolfo Robles Espinoza has changed considerably, because the members of the Court of Appeals are the same judges who confirmed the ruling that convicted a number of Army officers for the murder of the teacher Hugo Munoz and nine La Cantuta students. (EL COMERCIO, LA REPUBLICA 28 Sep 94)

However, on 30 September, the Court of Appeals of the Supreme Council of Military Justice declared the petition to file the court suit in that court against General Rodolfo Robles Espinoza contrary to law. This ruling was handed down by General Guido Guevara Guerra, president of the Supreme Council and president of the Court of Appeals, and two other members of the Council, Major General Telmo Arrue (FAP [Peruvian Air Force]) and Rear Admiral Hugo Arevalo (AP [Peruvian Army]). The main argument against the request submitted by Dr. Heriberto Benitez, the attorney for Robles, was that the officer on trial, who is currently living in Argentina, has not presented himself to date to make his explanatory statement. Also, the ruling explained, partial filing of the case is not possible. "It is the definitive view of the Supreme Council that the court proceeding is a single entity, and that it cannot be separated into parts." For this reason, the eight charges on which the officer is being tried continue to be valid, the ruling stated. The crimes of which he is accused are insubordination; misrepresentation; offense against the nation and the armed branches; abandonment of duty to the detriment of the Army; insulting a superior officer to the detriment of General Nicolas de Bari Hermoza Rios; abuse of authority; crimes against honor, decorum, and military duty; and disobedience. (LA REPUBLICA 1 Oct 94) [passage omitted]

Census Reveals 53.9 Percent of Homes Inadequate

94SM0480B Lima EL COMERCIO in Spanish 27 Aug 94 p E1

[FBIS Translated Text] The Poverty Map of Peru, prepared by the National Institute of Statistics and Information Technology (INEI), based on census data obtained in July 1993, reveals that 53.9 percent of homes (2.567 million) have at least one unsatisfied basic need (NBI).

In terms of population affected, this means that of the total number of persons included in the 1993 census, 12.374 million possess some characteristic of poverty.

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This indicator is the basis of all the surveys conducted by INEI that were used to create this document, which will help us to learn what really is the social, economic, and cultural structure of all of the country's districts and provinces.

In this sense, "the social development programs adopted in the future must answer the needs outlined in this document," said the chief of INEI, Felix Murillo Alfaro.

Despite these percentages, Peru is not one of the poorest countries, if compared with the 71 percent of homes with NBI registered in Ecuador. On the other hand, it is at a disadvantage with Venezuela, where the index is 40 percent.

The statistical data gathered in four tomes and presented yesterday to the press by Murillo and the Director of the UN Population Fund, Einar Sanbed, addresses itself to inadequate dwellings with unsuitable living conditions, more than 20 percent of homes, of a total of 557 districts.

The most affected departments are Puno, Cuzco, Madre de Dios, Ayacucho, Ucayali, San Martin, Loreto, and Amazonas.

A second indicator for the measurement of poverty is the degree of overcrowding, as measured by the number of persons who live in the dwelling. It is the country's most extensive NBI because more than 30 percent of the families in 408 districts surveyed do not live in spacious and well-ventilated homes.

Lack of water and of drainage facilities connected to a public system is another indicator of poverty in Peruvian homes. Seventy percent of homes located in 962 districts do not have these services and make do with cesspools for their needs.

The worst cases are concentrated in the departments of Huancavelica, Ayacucho, and Apurimac.

In addition, 75 percent of 1,090 homes lack electric lighting. The lack is more widespread in the departments of Puno, Apurimac, Ayacucho, Huancavelica, Huanuco, Amazonas, and Cajamarca.

According to INEI, insufficient family income is another indicator for measurement of poverty, and the basic cause of low income is the low educational level of fathers of families.

This type of NBI is most common in 603 districts, with levels ranging from 15 to 50 percent of homes.

But there are also 10 to 40 percent of homes in 720 districts—especially in the departments that cross the Andes—in which at least one child from six to 12 years of age does not attend school.

Added to this are youths from 13 to 17 years of age in the departments of Cajamarca, Amazonas, San Martin, La Libertad, and Huanuco who do not attend school and who constitute 40 percent of the population of these departments.

These figures also count as an essential indicator to measure the degree of school abandonment in the country and against which, according to Murillo, programs should be aimed to reverse this situation and reduce the indices.

The rate of illiteracy (30 percent in 502 districts) is highest in the departments of Puno, Cuzco, Apurimac, Ayacucho, Huancavelica, Junin, and Cajamarca. On the coast, the index is less than 10 percent.

[Box, p E1]

Unsatisfied Basic Needs (NBI) in Peru

Unsatisfied basic needs are dwellings with inadequate physical characteristics, lack of water and drainage facilities, a high degree of economic dependency, and other factors, are the principal indicators of poverty measurement in Peru. Socio-economic development programs that the government will adopt in future years will be directed against these deficiencies.

NBI Nationwide	
Homes with NBI	53.9 percent
Homes without NBI	46.1 percent

NBI in urban areas	
Homes with NBI	39.2 percent
Homes without NBI	60.8 percent

NBI in rural areas	
Homes with NBI	88.2 percent
Homes without NBI	11.8 percent

Uruguay

National Party Leads in Polls; Broad Front Up in Montevideo

PY1910143894 Montevideo Radio El Espectador Network in Spanish 0900 GMT 19 Oct 94

[FBIS Translated Text] Juan Andres Ramirez has announced that the opinion polls indicate that the National Party has now surpassed it traditional adversary, the Colorado Party.

Last night the presidential candidate announced that the opinion polls indicate the National Party has already surpassed the Colorado Party, and he attributes this to the fact that Uruguayans have become aware and now know that there is a firm foundation upon which the future can be built, saying this in allusion to the accomplishments of the current government.

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Ramirez also stated that Sanguinetti is his rival. The official candidate stressed that Julio Maria Sanguinetti, his Colorado Party contender, will be his rival in the November elections. He also lauded Argentine President Carlos Menem.

On 18 October the candidate participated in the program "Lunching with Mirta Legrand," which is aired every noon over television in Buenos Aires. During a portion of that program, he repeated that Julio Maria Sanguinetti is his rival.

Another opinion poll indicates that the Broad Front is leading in Montevideo, followed by the Colorado Party.

It has been learned in political circles that the Factum Consulting Enterprise has issued its "Daily [word indistinct]," which indicates that there is a firm stability in the political ranking [preceding word in English] in Montevideo. The Broad Front leads, followed by the Colorado Party, and in third place, four points behind the leader, is the National Party.

The "Daily [word indistinct]," which Factum prepares exclusively for one of the main presidential candidates, is a new type of public opinion poll that has been carried out for the first time in the country, and its objective is registering the oscillations of public opinion trends, in other words, acting as a kind of seismograph of the electoral behavior of the public.

National Party's Increasing Popularity Reported

PY1910204894

[FBIS Editorial Report] Montevideo BRECHA in Spanish on 7 October publishes on pages 3 and 4 a 2,300-word article by Marcelo Pereira entitled: "Now We Must Chose Seriously."

In the article Pereira cites a recent survey conducted by the polling company Cifra showing that if the elections were held today, the National Party and the Colorado Party would end up in a virtual tie for first place, with 28 percent and 29 percent of the preferences respectively. In the survey Progressive Encounter was in third place, with 24 percent.

Pereira notes that the preference for the Colorado Party seemed "overwhelming" only six months ago, but that support "has been gradually dropping since the middle of the year, while support for the National Party has been growing and support for Progressive Encounter remains stable."

Pereira analyzes the situation, saying that one of the reasons for Sanguinetti's early lead was that for "over four years he was the only presidential hopeful." The author adds that the Broad Front until a short time ago was still undecided whether Tavare Vazquez or Danilo Astori would be their presidential candidate, and there was total doubt as to who would represent the National Party in the elections.

Pereira says that other reasons for the Colorado Party's decreasing popularity are Julio Maria Sanguinetti's coalition with Hugo Batalla, which did not sit well with many supporters, and former Colorado Party presidential candidate Jorge Batlle's continued criticism of the alliance.

Pereira says that in the National Party, Alberto Volonte's split with Luis Alberto Lacalle's administration and his candidate Gonzalo Aguirre ended up strengthening the party, because it gave National Party supporters an option between continuity and continuity with change, and permitted an attack on Sanguinetti from various angles. Pereira says that President Lacalle's continuous presence in the interior "inaugurating works of national interest" also contributed to improving the National Party's chances.

Pereira notes that a final push was given by economic factors announced by the economy minister in the past but which are only now starting to show, such as the consolidation of the Common Market of the South, Mercosur, and the new Mortgage Bank line of credit. Finally, Pereira says that undecided voters are leaning heavily toward the National Party and not Progressive Encounter, as had been previously expected.

Venezuela

Anticorruption Front To Be Proposed at Miami Summit

PA1910232894 Paris AFP in Spanish 1414 GMT 19 Oct 94

[FBIS Translated Text] Caracas, 19 Oct (AFP)—Foreign Affairs Minister Miguel Angel Burelli has announced that at the Summit of the Americas in Miami on 3 December Venezuela will propose the creation of a wide front against corruption to guarantee the extradition of corrupt people and the repatriation of assets acquired through the theft of public funds.

In public statements today, Burelli said the Rafael Caldera administration's position will be expressed in a draft project against crimes in public administration. The Foreign Relations Advisory Committee (CARE) and the Foreign Ministry's Judicial Advisory Council are currently working on the draft.

The purpose is to obtain support from the international community to prosecute corrupt people like drug traffickers.

The foreign minister highlighted the significance of adopting methods of repatriating assets and extraditing people without bureaucratic hurdles.

Venezuela plans to raise such issues as the search for joint solutions to the serious social problems jeopardizing the stability of democratic systems, clear-cut guidelines for trading among nations of the region, and integration at the Summit of the Americas

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Carabobo Governor on 'Uncertain' Social Situation

PA1910180694 Caracas Venezolana de Television Network in Spanish 1600 GMT 19 Oct 94

[From "The News" newscast]

[FBIS Translated Text] Guaranteeing security for citizens and their properties constitutes one of the goals of a democratic system. However, despite the diligent efforts of the authorities, this is not always achieved.

In Carabobo State, the burning of vehicles has affected the residents, and security organizations this week are working to clarify the motives of these actions. Carabobo Governor Henrique Salas Romer explained that in the beginning, the investigations were hindered by a number of contradictory statements. However, evidence gathered thus far will not only enable authorities to uncover the culprits of these actions—which Salas Romer described as terrorists—but will also prevent them from reoccurring.

[Begin Salas Romer recording] People have been quite uneasy. As expected, people do not want to leave their vehicles parked. Rumor has it that common criminals are behind these actions, but criminals do not burn vehicles, they simply take them. The situation is very uncertain and we expect to clarify it this very week so that residents can regain their calm and mainly so that Venezuelans can feel that although these actions are serious, they do not in any manner affect the country's stability or capacity for progress or the peace of its citizens. [end recording]

Montero: Disturbances in Valencia, Caracas Not Related

PA1910193094 Caracas Radio Union Network in Spanish 2200 GMT 18 Oct 94

[From the "Union Radio News" newscast]

[FBIS Translated Text] The National Defense Ministry will call a meeting with the Labor and the Transportation and Communications Ministries and the Confederation of University Centers to prevent disturbances.

[Begin recording] [Correspondent Cecilia Cayone] National Defense Minister General Rafael Angel Montero Revette made the announcement in the Congress and added that the disturbances only serve to hinder education and generate violence. Commenting on incidents registered in Valencia and Caracas, where several vehicles were burned, the minister noted there is no reason to view them as related events.

[Montero] What we do not want is flare-ups of violence all over the country. These violent outbreaks are often not related. The right to make demands exists, as some people have said, and I reaffirm this. The right exists... [pauses] often services are not the best, but that does not mean the process of making demands should be violent. [end recording]

The national defense minister said it seems the incidents in Valencia are caused by internal problems. He declined to comment on the Supreme Court ruling to request a pretrial hearing on Deputy Pablo Medina.

'Technicality' Postpones Approval of Investor Guarantees

PA1810194594 Caracas EL UNIVERSAL in Spanish 15 Oct 94 p 2-1

[FBIS Translated Text] At the outset of the Exchange Administration Board [JAC] meeting, it had virtually been decided that a resolution permitting the repatriation of capital by stock market investors would be approved.

But a last-minute legal technicality forced the postponement of the resolution until Monday or Tuesday of next week. JAC member Samuel Wilhelm explained the overall regulations that will govern this decree.

After the meeting, Wilhelm said that "foreign investors who invest in the stock exchange will be guaranteed the repatriation of their assets, capital, and profits."

The investors will have to comply with a special register that will be created by the Exchange Administration Technical Office (OTAC). With this decree JAC hopes to raise the confidence of foreign investors in the local stock market.

Regarding the delay in issuing the decree which the local stock market has had to face, and which, in his judgment, has caused the market to drop in the last few days, Wilhelm admitted that it had been a long wait, but that the decree would definitely be issued in a few days.

Tourism Dollars

Travel agencies that promote many travel packages and acquire them in U.S. dollars will no longer be required to sell their dollars to the Central Bank. They will be able to handle their dollars according to their needs, although under the supervision of the OTAC.

The JAC made this decision yesterday to make it easier for tourist companies that generate their own dollars by attracting tourists to Venezuela and at the same time spend them in acquiring tourist packages for Venezuelans in other countries.

"They will have to declare expenses after operating for a determined period of time which has yet to be established. The currency limits that each agency may handle will depend on their capacity. Control will be exercised by OTAC. [no closing quotation marks as published]

The conditions for benefiting from this autonomy are to comply with the exchange register, belong to the tourist association, and be authorized to operate.

No Coffee Yet

Although the government has promised to neutralize the coffee and egg shortages by importing these products, it

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still has not asked JAC for the currency for their importation. Wilhelm said that there were no requests for currency in this category.

Wilhelm also said that the currency for trade imports has flowed according to the needs of the companies, thus playing down the significance of remarks made by FEDECAMARAS [Venezuelan Federation of Associations and Chambers of Commerce and Industry] President Edgar Romero, who said the Central Bank of Venezuela has delayed the disbursement of currency.

"The currency is given when requested, but the actual disbursement takes place when the importer must cancel his order, which frequently occurs two to three months after the currency is requested," Wilhelm said.

INCE Plan Suits National Plan, Solidarity Program

PA1810193894 Caracas ECONOMIA HOY in Spanish 17 Oct 94 p 3

[FBIS Translated Text] According to Hector Tamayo Guedez, INCE [National Institute of Cooperative Education] president, the INCE cooperative plan presented by State Ministers Pompeyo Marquez and Werner Corrales falls within the frameworks of the Ninth Plan of the Nation and the Social Solidarity Program. This is why control and efficiency in the handling of finances will be promoted.

Tamayo pointed out that INCE's strategic objectives are the implementation of a national training program for unemployed youths, the design and implementation of a job information system, agricultural training emphasizing the rural zones, and training the country's enlisted troops. INCE has projected revenues totalling 9.778 billion bolivares, which were included in this year's budget, but only 5 percent—49 million bolivares—will be used to achieve these objectives.

Meanwhile, Werner Corrales, Cordiplan [Central Office of Coordination and Planning] minister, again presented the Economic Recovery and Stabilization Program and announced that the Ninth National Plan will not be limited to only five years; instead, a project to forge a new nation will be proposed and will last 20 years.

He said that the Ninth Plan will be comprised of five fundamental components fostering a competitive economy and socially equal development, while emphasizing productivity. This national project contemplates profound state reforms promoting the participation of civilian society, decentralization, and the incorporation of the country into economic integration strategies in order to increase the number of market possibilities.

Social Development Ministry Will Not Operate in 1995

In the meantime, Pompeyo Marquez, state minister for social affairs [title as published], said that the creation of the new Social Development Ministry (MDS) [Ministerio de Desarrollo Social] must go through several changes. Reform of the Central Administration Law [Ley de Administracion Central] is one of these changes. In addition, it is necessary to merge the activities of the Labor, Family, and Youth Ministries, which will make up the new ministry in its starting phase. He stressed that the new ministry will not start operating in 1995, adding that the government's main concern must be national coordination and decentralization of social programs.

Marquez underscored that the executive branch is already drafting a social policy and that the country has the basic elements of the same—elements stemming from the key concept of producing. It is necessary to change the design under which the country is being managed in order to understand that there must not be separation of social and economic policies, he asserted.

As for the social programs, he reported that the free lunch subsidy [beca alimentaria] has been paid and that we are pretending to convert the same into food, beginning to distribute it in rural zones and border towns. As for multihousing [multihogares], the social minister pointed out that the operations of nongovernmental organizations (NGO's) that are participating in this program has been broadened and revised to prevent the type of lack of compliance and corruption that was detected in some social programs such as the PAMI [Comprehensive Medical Assistance Plan].

Regarding the Congress' repeal of the so-called Umbrella Law, Minister Marquez underscored that the immediate implementation of social programs will not be affected by it and that the government is fine-tuning the technical details to resubmit the law to Congress.

Deputies Declare Umbrella Law for Economy Illegal

PA1910214594 Caracas Union Radio Network in Spanish 2200 GMT 18 Oct 94

[From the "Union Radio News" newscast]

[FBIS Translated Text] The Chamber of Deputies has accepted recommendations by the Finance Commission on the illegality of the Umbrella Law 1994. Deputy Gustavo Tarre Briceno, commission chairman, explains:

[Begin Tarre Briceno recording] The form presented by the executive was quite illegal. The Basic Law on Public Credit states that during a fiscal year the amount of debt can be increased, unless this increase is originated to solve a catastrophe or a disaster, as this should be done through a special law.

The executive [word indistinct] the hypothesis of a calamity or disaster in relation to the payment of the foreign debt, nor was it done through a special law. Therefore Congress had no choice but to reject the Umbrella Law. [end recording]

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The executive will now have to reform the Umbrella Law 1994 once again and request, through a special law, the amount needed to pay the restructured debt.

Roundup of Economic Developments

PA1910032494

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Venezuela monitored through 18 October.

The Colombian Embassy has reported trade with Venezuela will total $1.8 billion this year, making Colombia the main market for Venezuelan products. The trade balance favors Venezuela, despite the obstacles posed by foreign exchange controls. Colombia's National Association of Exporters (Analdex) has reported exchange controls in Venezuela may reduce Colombian exports to Venezuela by up to $200 million. Analdex concluded Colombian exports to Venezuela dropped by 15.3 percent this year, while Venezuelan exports to Colombia increased by 23.5 percent. (Caracas ECONOMIA HOY in Spanish 11 Oct 94 p 4)

The Superintendency for Foreign Investments (SIEX) has reported foreign investments in Venezuela dropped by $42.6 million in September. A SIFX source has revealed this reduction was caused primarily by the nonregistration of a foreign company in time to be included in the monthly report. The source has said foreign investments are expected to increase notably in October. According to SIEX, $25.3 million worth of foreign investments were made in the country in September. SIEX sources concluded at the end of the third quarter that year-to-date foreign investments in Venezuela totaled $336.4 million. (Caracas REPORTE DE LA ECONOMIA in Spanish 11 Oct 94 p 6)

Acting Finance Minister Luis Xavier Grisanti has reported the Finance Ministry has authorized $56 million for imports from Colombia so far, under the special exchange system. The minister has said trade with Colombia has normalized, adding the application of the reciprocal payment accord is an important tool in maintaining economic integration with Colombia. The official has said a new resolution will allow Venezuelan exporters to cancel their bills for country members of ALADI (Latin American Integration Association) in bolivares, through the Central Bank of Venezuela. (Caracas EL UNIVERSAL in Spanish 11 Oct 94 p 2-1)

The Bank of Venezuela has begun liquidating the assets of Banvenez Holding, which is comprised of 12 subsidiaries. The bank president has said the institution must cut back on spending, adding this reason is why the liquidation of the holding's assets began. Regarding the investigation of irregularities, the bank manager has said this action is being handled by the courts. The bank president added no sale price has been determined yet for the Bank of Venezuela. He concluded that several consortia are interested in purchasing the bank. (Caracas Union Radio Network in Spanish 2200 GMT 11 Oct 94)

According to an official of the National Council of Commerce and Services, food products will begin disappearing from the national market if inflation is not stopped. The shortage of coffee will extend to other basic foodstuffs, such as eggs, milk, cheese, and sugar, the official has said. He has said crops and planted areas have declined, because the government has failed to clearly establish the rules of the game. He concluded price controls will not resolve the situation in the country. (Caracas Union Radio Network in Spanish 2200 GMT 11 Oct 94)

Subsidiaries of the Venezuelan Guayana Corporation (CVG) will close their doors if the privatization process is not expedited, according to CVG President Alfredo Gruber. He has said the privatization process may begin in eight months with the Alcasa Company. He has said the CVG subsidiaries maintain a debt of $4.8 billion, making the investment of capitals necessary. He concluded the recovery of companies will depend upon the privatization. (Caracas Union Radio Network in Spanish 2200 GMT 11 Oct 94)

Agriculture and Livestock Minister Ciro Anez Fonseca has said there is no lack of eggs or coffee. He has said the problem stems from the differences in prices given to producers. He has said the government will import those products if there is a shortage in the domestic market. The minister added small coffee mills have been authorized to import roasted coffee to prevent any shortages. (Caracas Union Radio Network in Spanish 2200 GMT 12 Oct 94)

MARAVEN, a subsidiary of Venezuelan Petroleum, has increased its crude oil reserves by 113 million barrels by drilling the MGV-26 Oil Well and assessing the Barua Oil Field, located on the border of Trujillo State. MARAVEN's production manager has said the increase exceeds expectations in the midterm. According to the report, the drilled oil well provided an excess 43 million barrels of crude oil reserves, increasing potential production by 1,300 barrels daily. (Caracas Union Radio Network in Spanish 2200 GMT 12 Oct 94)

Representatives of more than 80 companies in the process of being closed down due to a lack of dollars will meet on 20 October with Foreign Exchange Board officials as a last-ditch effort to expedite the purchase of foreign currency. Sources have said foreign currency is needed to purchase industrial inputs. The leader of Anzoategui's Chamber of Commerce has said these companies have enough resources for only two to three weeks. He has confirmed four industries have already closed down in Anzoategui due to the lack of dollars. (Caracas EL NACIONAL in Spanish 16 Oct 94 p E-2)

Guido Villanueva, chairman of the Metropolitan Bank Intervention Board, has reported that the offices of the Confinanzas-Metropolitan Consortium will open 18

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October to cancel financial instruments of up to 4 million bolivares. He has announced information centers are being set up in Caracas and elsewhere to answer depositors' questions. The official concluded this measure will allow the bank to cancel its obligations with most depositors. (Caracas EL GLOBO in Spanish 16 Oct 94 p 2)

Gustavo Roosen, presidential commissioner for reform of the financial system , has said the correct handling of Fogade's (Deposit Guarantee and Banking Protection Fund) asset recovery process will allow the state to recover the money invested in the financial system. Roosen has said the process to sell assets belonging to intervened banks will depend on the economy's capability to absorb those assets. He said Fogade will operate as an insurance company, adding it now has in its favor the increase in premiums paid to Fogade. Those premiums went from 0.5 to 2 percent annually, the official has said. Roosen concluded by expressing his optimism over the upcoming privatization of the Venezuela and Consolidado Banks, which will contribute in normalizing the financial system. (Caracas Union Radio Network in Spanish 2200 GMT 17 Oct 94)

Movement Toward Socialism Convention Picks Party Leaders

PA1810205194 Caracas Venezolana de Television Network in Spanish 1600 GMT 17 Oct 94

[From "The News" newscast]

[FBIS Translated Text] There were surprises during the Movement Toward Socialism [MAS] convention. Freddy Diaz and Leopoldo Puche were elected vice president and general deputy secretary general, respectively, handing a defeat to the group lead by Enrique Ochoa Antich, as it only won two out of 27 posts that comprise the MAS Executive Committee. Melisa Soto, who witnessed the voting, explains the differences among the groups.

[Soto] A total of 500 people participated in the MAS convention. Under the banner of pluralism, MAS picked its new authorities. On this occasion, the so-called New MAS, headed by Enrique Ochoa Antich, who promotes alliances with Radical Cause Party, National Convergence, and MBR-200 [200 Revolutionary Bolivarian Movement] was put to the test. Macario Gonzalez, who hopes to be elected to the post of secretary general, is one of the chief candidates of this group. Teodoro Petkoff is running for chairman of the Executive Committee, and Carlos Tablante hopes to head the party. Another group is proposing Victor Hugo de Paola and Pompeyo Marquez. The Horizon 2000 [Horizonte 2000] was also created. It supports Luis Bayardo and Simon Garcia.

[Begin MAS President Gustavo Marquez recording] We are going to create a new leadership that will take office next Friday. We hope the president will attend. [end recording]

CSJ To Rule on Case of Radical Cause Party Deputies

PA2010000894 Caracas Union Radio Network in Spanish 2200 GMT 18 Oct 94

[From the "Union Radio News" newscast]

[FBIS Translated Text] We know that the Supreme Court of Justice [CSJ] today will decide on the Pablo Medina case. The survivors of El Amparo Massacre filed an appeal for dismissal before the CSJ, but today it will rule on the draft sentence [proyecto de sentencia] prepared by Magistrate Carmen Beatriz Romero de Encinoso on the prosecution of Deputies Pablo Medina and Freddy Gutierrez. We have learned that the CSJ found evidence to prosecute them. In view of these preliminary hearings requested by the Caracas Second Military Tribunal against the Radical Cause Party deputies, the CSJ upheld the request made by the military tribunal, which is charging Medina with five crimes—namely, rebellion, offending the national Armed Forces, offending judicial officers, refusing to sign an affidavit, and hiding war materiel. Gutierrez, the other deputy facing trial, is allegedly being charged with the crimes of rebellion and concealing war materiel.

As you can see, there are many reasons why the CSJ is inclined to make such a decision. We have information that the CSJ indeed upheld with nine votes in favor and five against the request to hold preliminary hearings, which is a fait accompli for Radical Cause Party Deputy Medina. This is the information we have from our colleagues in the press.

The request to hold preliminary hearings against Deputy Gutierrez was also upheld with eight votes in favor and six against. The CSJ will now send a certified copy of this ruling to Congress to proceed accordingly. As you may know, Deputy Medina's congressional immunity may be lifted prior to his prosecution in a penal trial requested by the military courts. I repeat: This information has been confirmed.

Army To Spend Over 8 Billion Bolivares on Military Gear

PA1810205494 Caracas EL GLOBO in Spanish 17 Oct 94 p 3

[Report by Jose Ramon Diaz]

[FBIS Translated Text] The Army plans to purchase—with and without bids—combat weapons and equipment worth about 8.565 billion bolivares with resources obtained through the Umbrella Law, managers of this military branch have announced.

According to the military source, there have never been restrictions on the purchasing policy of the FAN [National Armed Forces] with regard to securing combat weapons and equipment, because despite the fiscal difficulties facing the Venezuelan state, the goal is to

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revitalize the armed branch of the Republic. The armed institution, and the Army in particular, is tasked with strengthening national defense to guarantee the soundness and stability of democratic institutions.

Army management sources said that 3.4 billion bolivares will be spent to purchase missiles. A Swedish company has apparently secured the contract.

The sources added that more than 4 billion bolivares will be spent to buy transportation units, 1 billion to buy innovations and to revamp the automated combat unit system, and 85 million to furnish new boots for military personnel.

The Army leadership believes that all these purchases are justified, because without them it would be impossible to implement military deployment operations, defend ground border areas, and carry out development activities in the scientific and technical fields to strengthen national defense.

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